



**United States Department of State  
and the Broadcasting Board of Governors  
Office of Inspector General**

**Office of Inspections**

**Inspection of  
the Bureau of Educational and  
Cultural Affairs**

**Report Number ISP-I-12-15, February 2012**

**~~Important Notice~~**

~~This report is intended solely for the official use of the Department of State or the Broadcasting Board of Governors, or any agency or organization receiving a copy directly from the Office of Inspector General. No secondary distribution may be made, in whole or in part, outside the Department of State or the Broadcasting Board of Governors, by them or by other agencies or organizations, without prior authorization by the Inspector General. Public availability of the document will be determined by the Inspector General under the U.S. Code, 5 U.S.C. 552. Improper disclosure of this report may result in criminal, civil, or administrative penalties.~~

**Office of Inspector General**

## **PURPOSE, SCOPE, AND METHODOLOGY OF THE INSPECTION**

This inspection was conducted in accordance with the Quality Standards for Inspection and Evaluation, as issued in 2011 by the Council of Inspectors General on Integrity and Efficiency, and the Inspector's Handbook, as issued by the Office of Inspector General for the U.S. Department of State (Department) and the Broadcasting Board of Governors (BBG).

### **PURPOSE AND SCOPE**

The Office of Inspections provides the Secretary of State, the Chairman of the BBG, and Congress with systematic and independent evaluations of the operations of the Department and the BBG. Inspections cover three broad areas, consistent with Section 209 of the Foreign Service Act of 1980:

- **Policy Implementation:** whether policy goals and objectives are being effectively achieved; whether U.S. interests are being accurately and effectively represented; and whether all elements of an office or mission are being adequately coordinated.
- **Resource Management:** whether resources are being used and managed with maximum efficiency, effectiveness, and economy and whether financial transactions and accounts are properly conducted, maintained, and reported.
- **Management Controls:** whether the administration of activities and operations meets the requirements of applicable laws and regulations; whether internal management controls have been instituted to ensure quality of performance and reduce the likelihood of mismanagement; whether instance of fraud, waste, or abuse exist; and whether adequate steps for detection, correction, and prevention have been taken.

### **METHODOLOGY**

In conducting this inspection, the inspectors: reviewed pertinent records; as appropriate, circulated, reviewed, and compiled the results of survey instruments; conducted on-site interviews; and reviewed the substance of the report and its findings and recommendations with offices, individuals, organizations, and activities affected by this review.



United States Department of State  
and the Broadcasting Board of Governors

*Office of Inspector General*

## PREFACE

This report was prepared by the Office of Inspector General (OIG) pursuant to the Inspector General Act of 1978, as amended, and Section 209 of the Foreign Service Act of 1980, as amended. It is one of a series of audit, inspection, investigative, and special reports prepared by OIG periodically as part of its responsibility to promote effective management, accountability, and positive change in the Department of State and the Broadcasting Board of Governors.

This report is the result of an assessment of the strengths and weaknesses of the office, post, or function under review. It is based on interviews with employees and officials of relevant agencies and institutions, direct observation, and a review of applicable documents.

The recommendations therein have been developed on the basis of the best knowledge available to the OIG and, as appropriate, have been discussed in draft with those responsible for implementation. It is my hope that these recommendations will result in more effective, efficient, and/or economical operations.

I express my appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in black ink, appearing to read "H.W. Geisel". The signature is fluid and cursive, with a large loop at the end.

Harold W. Geisel  
Deputy Inspector General

## Table of Contents

Key Judgments	1
Context	3
Executive Direction	4
Policy and Program Implementation	8
Office of Policy and Evaluation	8
Office of Academic Exchange Programs	11
Office of English Language Programs	13
Office of Global Educational Programs	15
Office of Citizen Exchanges	16
Office of International Visitors	19
Office of Private Sector Exchange	22
Grants Management	32
Resource Management	37
Information Management and Technology	46
(b) (5)	52
Management Controls	54
List of Recommendations	55
List of Informal Recommendations	63
Principal Officials	67
Abbreviations	68

## Key Judgments

- The Bureau of Educational and Cultural Affairs' (ECA) prestigious exchange programs enhance mutual understanding and are increasingly aligned with foreign policy priorities. However, long-standing institutional weaknesses undermine ECA's effectiveness.
- Some ECA employees resist adopting processes fundamental to operating efficiently within the Department of State (Department).
- The ECA/Bureau of International Information Programs (IIP) executive office should be restructured to improve management oversight and increase efficiency, particularly with respect to human resources operations and support services.
- Significant increases in annual exchange visitor visa issuance have left ECA struggling to oversee the more than 1,200 sponsor organizations responsible for ensuring positive cultural exchange experiences for participants, many of whom are youth.
- Public criticism of the Summer Work Travel (SWT) program is the most recent negative consequence of unfettered growth and weak regulation of privately funded exchanges. ECA should strictly limit SWT until it can provide proper oversight.
- ECA lacks fully developed strategic planning mechanisms for its programs, some of which should be consolidated or sunsetted. Work programs having little to do with either education or culture should be transferred to the Department of Labor or eliminated.
- Grants officer representatives do not adequately perform monitoring and evaluation responsibilities, creating vulnerabilities in program implementation and oversight of funds. ECA has more than 100 outstanding grants awaiting closeout; once that step is complete, the bureau will be able to deobligate an estimated \$4 million.
- ECA does not have an effective Equal Employment Opportunity (EEO) program.
- Embassies use their own funds for exchange activities without informing ECA, raising issues of coordination and conformity with established standards.
- ECA's systems and applications do not meet all user needs due to the absence of stakeholder participation, systems documentation, and management review and approval throughout the development process.

All findings and recommendations in this report are based on conditions observed during the on-site review and the standards and policies then in effect. The report does not comment at length on areas where OIG did not identify problems that need to be corrected.

The inspection took place in Washington, DC, between September 28 and December 1, 2011. OIG did not visit the East-West Center in Hawaii, but two team members visited New York City.

(b) (6)



## Context

ECA is the largest of the three bureaus reporting to the Under Secretary for Public Diplomacy and Public Affairs (R) and is a primary pillar of the Department's smart power. ECA's purpose, as defined by the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act), as amended, is to "increase mutual understanding between people of the United States and other countries by means of educational and cultural exchange...to promote international cooperation."

ECA's oldest programs are widely recognized and highly regarded. Fulbright scholarships are as prestigious today as when they were first offered a half century ago. International Visitor Leadership Program and Humphrey fellowships continue to increase cross-border contacts among professionals and enhance understanding of U.S. society and values. The impact of ECA's traditional programs is clear: 53 current and more than 300 former heads of state or government are program alumni, 52 are Nobel Prize winners, and 46 are current members of the U.S. Congress. ECA's newer programs—aimed at youth, girls and women, and underserved populations—and its forays into outreach via social media are also winning the United States friends in new quarters.

However, the popularity and success of ECA programs mask other problems. Lengthy gaps in senior leadership have contributed to the incomplete integration of the former U.S. Information Agency with the Department, after more than a decade. Persistent problems include poor internal communication, stovepiping of programs and personnel, difficulty in adjusting programs to reflect changing national priorities, and weaknesses in human resources operations.

Breakdowns in program management and the financial probity of some major grantees have spotlighted the need for major improvements in bureau oversight. Demonstrations in summer 2011 by participants in ECA's SWT program raised labor and human rights concerns, drew negative national media coverage, and provoked questions about the Department's administration of the program.

ECA has more than 450 staff members (not including approximately 80 contractors) and a program budget exceeding \$633 million that is supplemented by \$36 million in U.S. Government transfers and more than \$85 million in funding from foreign governments and private sources overseas. ECA is bracing itself to defend funding of its 140 programs against expected budget cuts. Recent efforts to plan resource use around strategic policy priorities raised concerns among some ECA staff members that such an approach would threaten traditional allocations to country programs.

## Executive Direction

ECA leaders are making real progress in matching resources to Department priorities. However, long-standing institutional problems such as poor internal communications, inadequate program oversight, insufficient work force planning, (b) (5) and deficiencies in equal employment opportunities require urgent attention. ECA leadership has been responsive to recommendations proposed during the inspection.

### Leadership, Mission, and Goals

The ECA Assistant Secretary arrived in July 2010. In 2011, she brought in a new principal deputy assistant secretary, two new deputy assistant secretaries, a new acting deputy assistant secretary, and a new director for the Policy office. They form a cohesive team that asserts it is determined to strengthen ECA both institutionally and from a policy perspective. Progress has been hindered by a variety of factors, including the assignment of the Assistant Secretary in July 2011 to serve as the interim Under Secretary for R. During the inspection the principal deputy assistant secretary acted as Assistant Secretary.

ECA's Bureau Strategic and Resource Plan describes its mission as using people-to-people diplomacy to advance U.S. foreign policy objectives and to foster international understanding. In recent years, ECA has increased its involvement in U.S. foreign policy priorities in Iraq, Afghanistan, and Pakistan, and with Muslim communities around the world. The Arab Spring is leading to new program opportunities. Educational and cultural cooperation are important components of bilateral initiatives with India, Indonesia, Brazil, and other countries. ECA has increased engagement with youth, underserved populations, and women and girls. It has achieved these objectives within its traditional programs as well as by using new technologies, expanding English language teaching, enhancing educational advising operations, and increasing engagement with alumni of U.S. Government exchange programs.

In mid-2011, R solicited feedback from posts and regional bureaus on policy needs and program impact, sharing for the first time the costs of various ECA programs. This exercise provided an improved basis upon which to adjust programs to meet policy imperatives and funding constraints. Initially, many in ECA resisted the new planning tool. ECA's revitalized Policy unit is now working closely with R on budget questions and developing closer working relationships with regional bureaus.

Based on these efforts, ECA is launching a strategic program priority and budget planning exercise. The ECA deputy assistant secretary (DAS) for Professional Exchanges recently engaged her entire staff in a division-by-division review of all its programs. This process provides a basis for decisions on future resource allocation. The effort is unusual in ECA in allowing staff to participate directly in resource planning and decisionmaking.

**Recommendation 1:** The Bureau of Educational and Cultural Affairs should conduct strategic budget planning exercises for all its program offices using the review in the Office of Professional and Cultural Exchanges as a model. (Action: ECA)

**Informal Recommendation 1:** The Bureau of Educational and Cultural Affairs should take into account in its resource use analysis the results of recently initiated planning efforts within the bureau, as well as data from nonbureau sources, and develop standard procedures for cooperating with embassies and regional bureaus on resource planning.

Consultation with Congress will be an important part of any resource use reevaluation. A number of ECA programs are congressionally mandated or otherwise subject to earmarks. Implementing organizations and foreign participants that benefit from ECA programs will resist changes that adversely affect them. This reality makes it harder for ECA to right-size programs or close them. Nonetheless, leadership must take the necessary steps in this area so that funds will be available for higher priority programs with greater foreign policy relevance. As part of this process, ECA already is strengthening its outreach program to facilitate greater public understanding of ECA programs and their importance to America's foreign policy.

### **Institutional Structures and the Human Dimension**

ECA's leadership needs to provide stronger program oversight. SWT is an example of a program that suffers from overexpansion, poor supervision, and weak compliance regulations. The section on the Office of Private Sector Exchange has recommendations for the future. More focused attention by ECA's leadership is required on programs for youth and other vulnerable groups and for the non-ECA-supported exchanges organized by posts. Recommendations on this issue appear in the section on the Office of Citizen Exchanges.

Internal communications also require attention. There are many dedicated (b) (5)

The stovepiped organization of ECA has traditionally discouraged information flow across organizational pillars; the situation is not much better within offices. Off-sites are rare; town hall meetings are even rarer. The 2004 OIG inspection report flagged communication as an important factor (b) (5). Recently, ECA leadership began distributing to all bureau staff reports on developments of current interest, an effort that the OIG team supports.

**Recommendation 2:** The Bureau of Educational and Cultural Affairs should implement a written plan to hold at least three town hall meetings annually and require all offices that have not had off-sites in the past 2 years to do so in 2012, perhaps in the context of beginning their strategic reviews. (Action: ECA)

**Recommendation 3:** The Bureau of Educational and Cultural Affairs should implement a written policy that requires all office directors to meet with their staffs at least twice monthly and all senior managers to attend working level meetings and visit individual offices. (Action: ECA)

**Recommendation 4:** The Bureau of Educational and Cultural Affairs should share with all bureau staff its weekly highlights report to the Under Secretary for Public Diplomacy and Public Affairs and its weekly senior staff meeting notes. (Action: ECA)

The relationship between Foreign Service and Civil Service personnel in ECA is unsatisfactory. Current leadership is increasing the Foreign Service presence in ECA to facilitate

greater connectivity to the field. This goal has caused concern among Civil Service employees about advancement opportunities and other issues. (b) (5) would benefit from better communication between these two groups. Training for supervisors from both groups on the preparation of performance evaluations in the other system would also help, as would mentoring and increased opportunities for training and more excursion tours for Civil Service staff.

***Informal Recommendation 2:*** The Bureau of Educational and Cultural Affairs should sponsor workshops for both Civil Service and Foreign Service supervisors to improve understanding of performance review preparation in both systems.

***Informal Recommendation 3:*** The Bureau of Educational and Cultural Affairs should implement a policy to upgrade Civil Service staff opportunities through support for short- and long-term excursion tours.

Bureau leadership has not committed ECA to a comprehensive best practices program on EEO issues. Although the inspection team found only five formal complaints, perceptions of discrimination persist. A formal recommendation is provided in the Resource Management section of this report.

### ***Workforce Planning***

As ECA's budget has grown, so has its workforce. International developments and the bureau's commitment to align its programs more closely with Department priorities suggest that there will be more demands of ECA in the period ahead. In light of that prospect, space constraints, and the very real possibility of slow, no, or negative budget growth in the future, the OIG team advises the bureau to develop a strategic work force plan. The team believes the bureau's extensive use of contractors deserves special attention.

### ***Managing Paper Flow***

ECA officials are frustrated with bureau management of paper flow to and from the front office. Senior officers have difficulty getting well-drafted papers in a timely fashion. Drafting officers do not receive instructions that would clarify for whom they are writing and why. This problem is compounded by the lack of a uniform database of basic information, such as the number of participants in individual programs or the number of programs (and participants) in a single country. ECA uses a top-down system for clearing, so even simple requests for information must go through the front office. The result is wasted time, (b) (5) and embarrassing delays. An internal review is under way; its outcome will depend on the depth of front office commitment to getting it right.

The OIG team identified steps the bureau could take to streamline paper flow, including limiting the number of official taskings and defining who can generate them; maintaining a log to track the status of taskings; delegating authority to respond to routine requests to the lowest level possible; reducing the number of layers in the process by directing taskings to the offices responsible for issues rather than to intermediate special assistants; including in all taskings brief instructions on desired formats and the purpose of the information; and providing drafters with a comeback copy of the changes made at intermediate levels.

**Recommendation 5:** The Bureau of Educational and Cultural Affairs should revise its system for managing paper flow to achieve a more streamlined process and issue new guidelines to all bureau staff. (Action: ECA)

## Policy and Program Implementation

ECA has a complex organizational structure. The bureau is divided into eight large offices, each of which has multiple subunits, manages one or more broad categories of programs, and reports to either the principal DAS or one of three DASs. The work of the offices and the OIG team's recommendations for improvement follow.

### Office of Policy and Evaluation

The Office of Policy and Evaluation has four largely autonomous components that provide crosscutting support for bureau activities. Greater strategic prioritization and streamlining of responsibilities would help all four components cope with increasing workloads.

#### *Policy Unit*

ECA doubled its policy team to increase coordination with regional bureaus and advise how ECA programs could support foreign policy goals more strategically. The unit and its new director have worked hard to overcome initial misunderstanding of the unit's role. More needs to be done, however, if the unit is to play the coordinating role that ECA leadership envisions.

***Informal Recommendation 4:*** The Bureau of Educational and Cultural Affairs should issue a Department Notice on the role of its Policy unit, specifying the responsibilities of and contact information for each staff member.

Department bureaus and overseas missions increasingly turn to ECA to request urgent programming. However, ECA cannot make program adjustments quickly. Bureau funding is usually already allocated, and few grants and contracts have rapid response capability. As a result, ECA policy and program officers resort to adjusting existing programs that can accommodate change rather than offering programs that best suit new policy needs.

**Recommendation 6:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should implement programmatic and funding mechanisms so that bureau programs can respond effectively to urgent policy needs. (Action: ECA, in coordination with R/PPR)

The Policy unit coordinates the Bureau Strategic and Resource Plan. The FY 2013 plan has overlapping goals and only half of its performance indicators are outcomes. The bureau cannot use the plan to review progress, break down stovepipes, or achieve synergies, potentially resulting in wasted effort and lost opportunities.

***Informal Recommendation 5:*** The Bureau of Educational and Cultural Affairs should use the process of preparing its next strategic planning request to set clearer priorities, better measure performance, and increase coordination.

### *Alumni Affairs Division*

The Alumni Affairs division conducts activities and supports the efforts of overseas missions to engage the 1 million alumni of ECA-funded programs—a bureau strategic priority. Alumni engagement is integrated into every Mission Strategic and Resource Plan and virtually every high-level visit and initiative. Although the division’s budget has increased, strategic planning, bureau processes, and information technology (IT) tools have not kept pace. Competing priorities pull its staff in multiple directions. On the OIG team’s advice, the division chief began developing a vision and strategy for a worldwide network of partnerships between posts and alumni associations, with exchange participants from all U.S. Government agencies. The next step is to determine how to prioritize the division’s work and funding.

***Informal Recommendation 6:*** The Bureau of Educational and Cultural Affairs should formulate and implement goals for alumni engagement, a strategy to achieve these goals, and criteria to prioritize resource allocation.

Another bureau goal is to engage alumni of all U.S. Government agencies. The division is close to an agreement with the U.S. Agency for International Development on including its alumni in Department-run alumni programs. Involving the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training (IAWG) in this effort would allow the U.S. Government to better leverage its significant investment in exchange programs.

***Informal Recommendation 7:*** The Bureau of Educational and Cultural Affairs should work with the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training to implement a strategy that incorporates exchange participants from all U.S. Government agencies into its work.

ECA’s premier vehicle to engage alumni is the State Alumni Web site, with 87,000 registered alumni. Less than half of ECA’s alumni register annually to use the site, while some would-be registrants cannot access the site because program offices have not provided the Alumni Affairs division the required information. In a summer 2011 pilot, the division attained a 100 percent registration rate for U.S. exchange participants by describing the Web site at their predeparture briefings and following up with an immediate email containing a link to register for the site.

Embassy public affairs sections process most of ECA’s exchange participants overseas; bureau program offices and implementing partners process the remainder. Requiring the entity that processes exchange visitors to preregister them on the State Alumni Web site would increase alumni registration rates, improve data accuracy and reporting, and reduce the daily workload of alumni coordinators in Washington.

**Recommendation 7:** The Bureau of Educational and Cultural Affairs should implement a plan for overseas public affairs sections, bureau program offices, and implementing partners to preregister exchange participants on the State Alumni Web site. (Action: ECA)

Three of the bureau’s 4 parent databases are linked to the alumni archive, which houses almost 700,000 alumni records. A significant amount of the archive information is inaccurate or

missing because posts, program offices, and implementing partners are not entering it correctly or in a timely fashion. This prevents division staff from reporting effectively to bureau leadership and from verifying registrants for the State Alumni Web site.

**Recommendation 8:** The Bureau of Educational and Cultural Affairs should establish standard operating procedures for program offices and implementing partners to enter exchange participant data accurately and expeditiously into the appropriate bureau database. (Action: ECA)

Many overseas missions find the alumni archive cumbersome and do not fully utilize it. The archive does not operate well in the low bandwidth environment of many overseas missions and has missing and duplicate records because it collects from a variety of sources. ECA may need to rebuild the alumni archive and develop a lite version for post use.

**Recommendation 9:** The Bureau of Educational and Cultural Affairs should conduct a needs assessment to improve the alumni archive and make it more functional for overseas missions. (Action: ECA)

### *Cultural Heritage Center*

The Cultural Heritage Center provides expert advice to the Department on global cultural heritage and preservation issues, including U.S. compliance with the 1970 UN Educational, Scientific, and Cultural Organization's convention prohibiting the illegal import of protected cultural property. It also administers the Ambassadors Fund for Cultural Preservation. The Center supports the 11-member Cultural Property Advisory Committee, whose Presidentially appointed members advise him on U.S. protection of cultural heritage property.

### *Evaluation Unit*

The Evaluation unit carries out independent evaluations, conducts internal performance measurements, and provides technical guidance to bureau and Department offices as well as to other U.S. Government agencies. The unit, program offices, and implementing partners all conduct various kinds of evaluations of bureau programs, but the bureau has not linked this patchwork of efforts into a coherent continuum. The bureau thus does not have systematic performance results to supplement feedback from overseas missions when deciding on potential funding shifts. The bureau also lacks a strategic plan for prioritizing which programs need internal performance measurement and which need independent evaluation. Performance measurement is labor intensive; retrospective multicountry evaluations cost on average \$600,000 each. Failing to look at them strategically means ECA is not deriving full value from its large investment of time and money. Compounding the problem, performance measurement and evaluation reports often do not delve sufficiently into how the bureau could improve the programs. Working with an organizational development specialist would facilitate the unit's efforts to integrate evaluations into all of the bureau's programs.

**Recommendation 10:** The Bureau of Educational and Cultural Affairs should implement a strategic evaluation plan that integrates evaluation systematically into program design, prioritizes

which programs to evaluate and how, and produces reports that provide leadership with information on which to base resource decisions. (Action: ECA)

**Recommendation 11:** The Bureau of Educational and Cultural Affairs, in coordination with the Foreign Service Institute, should secure the services of a facilitator to advise the bureau on how to integrate performance measurement into every bureau program. (Action: ECA, in coordination with FSI)

The unit has published no evaluation reports since May 2010. One reason is the delays caused by the staff's submitting all proposed survey questions to the Office of Management and Budget to comply with the Paperwork Reduction Act, whose primary intent is to reduce the paperwork burden on U.S. citizens and small businesses. It appears that the Act may not apply to most of the unit's surveys, which are directed at foreign nationals outside the United States. Compliance with Act requirements delays surveys by months and costs hundreds of hours of staff time.

**Recommendation 12:** The Office of the Legal Adviser should request a decision from the Office of Management and Budget on the extraterritoriality of the Paperwork Reduction Act. (Action: L)

The Evaluation unit is retooling its procedures and promoting collaboration with program offices to increase the bureau's performance measurement capability. Hindering the effort, however, is the e-GOALS database system, which cannot accommodate current survey methods, does not perform needed statistical analysis, uses an outdated platform, has questions that cannot be altered, and cannot generate reports easily.

**Recommendation 13:** The Bureau of Educational and Cultural Affairs should implement a survey system that meets bureau needs for performance evaluation. (Action: ECA)

### **Office of Academic Exchange Programs**

ECA has not reviewed all its academic exchange programs to determine which are cost effective and meet current policy goals and to adjust priorities and funding accordingly. The OIG team also recommended that ECA complete its review of *Foreign Affairs Manual* (FAM) provisions on academic exchanges and issue guidelines to ensure that embassies are included in communications with Fulbright commissions overseas. The OIG team found problems in the operation of the Fulbright Foreign Scholarship Board and recommended corrective measures.

The FY 2011 congressional appropriation for Fulbright scholarships and related programs was \$237.7 million; more than 10,000 individuals participated. Foreign governments contributed approximately \$85.2 million to support the program. Over the years, ECA has initiated multiple new Fulbright programs: there are now 14 major award categories and multiple special-focus programs. Often ECA receives no additional funding for new initiatives but instead must reprogram existing resources. Despite its prestige, the Fulbright program is vulnerable to budgetary reduction; however, ECA has not examined where potential cutbacks would be least harmful to the program.

**Recommendation 14:** The Bureau of Educational and Cultural Affairs should conduct an analysis of all its academic exchange programs, drawing upon external as well as internal sources, issue a report assessing their cost effectiveness, and use this information to establish funding priorities. (Action: ECA)

Academic Exchanges staff earned high marks in OIG's survey of embassies. The single exception was the tendency of some to deal directly with members of Fulbright commissions and exclude embassy staff from such communications.

Fulbright programs may be run by U.S. embassies or binational Fulbright commissions, which are independent bodies established by agreement between the United States and a foreign government. An embassy representative always serves on the binational governing board that oversees a commission's work. Failing to include the embassy in messages to commission staff may be appropriate for some routine administrative matters but not for communications with policy implications. At the same time, embassy representatives on binational boards must understand their roles, exercise their fiduciary responsibilities, and represent U.S. interests in setting Fulbright program priorities.

**Recommendation 15:** The Bureau of Educational and Cultural Affairs, in coordination with the regional bureaus, should issue guidelines so that the relevant embassy is included in communications from the bureau to binational Fulbright commissions; the guidelines should also advise embassy representatives on binational governing boards of their oversight and management responsibilities. (Action: ECA, in coordination with EAP, EUR, NEA, SCA, and WHA)

(b) (5)

documents, including grant proposals and even travel requests, are edited repeatedly at higher levels. The constant rewriting slows the flow of paper and delays decisions. Equally disturbing, this approach creates a disincentive for program officers to review their own work. The OIG team counseled the leadership of Academic Exchanges on the issue and discussed ways to obtain better written products from program offices.

ECA last revised FAM provisions relating to academic exchanges in 2002. Since then the bureau has added new programs and eliminated others. Draft revisions prepared by the Academic Exchanges office have not moved forward, as various officials raised questions but failed to resolve them. The office needs to finish this process and, as recommended in the Resource Management section, follow the established procedures to obtain final approval for the revisions and their publication in the FAM.

### ***J. William Fulbright Foreign Scholarship Board***

The 12-member J. William Fulbright Foreign Scholarship Board meets quarterly to establish worldwide policies for the Fulbright program. Board members also review the applications of finalists for Fulbright grants. Board members expressed concern that in the recent past the number of board members had dropped, sometimes to as low as seven people. Vacancies on the board mean that the workload must be shared among fewer members.

***Informal Recommendation 8:*** The Bureau of Educational and Cultural Affairs should work with the Office of the Under Secretary for Management to establish procedures so that the Fulbright Scholarship Board maintains a full complement of members.

Board members also said they are sometimes unaware of events involving Fulbright program participants. Recently, board members received word of an event only 1 day before it took place, even though ECA had been working on it for many months. Without sufficient advance notice to rearrange their schedules, board members may miss valuable opportunities to connect with Fulbright program participants.

***Informal Recommendation 9:*** The Bureau of Educational and Cultural Affairs should implement a policy to include Fulbright Foreign Scholarship Board members in event notifications to Fulbright program participants.

A staff of six persons, led by an executive director and reporting to the Assistant Secretary, supports the board. The executive director's position is vacant and will remain so until a Foreign Service officer arrives in summer 2012. Leaving the position vacant for so long is a mistake, especially at a time when many important policy decisions may be ahead.

***Informal Recommendation 10:*** The Bureau of Educational and Cultural Affairs should work with the Office of the Under Secretary for Management to hire a temporary executive director to strengthen the work of the Fulbright Foreign Scholarship Board until the arrival of the permanent director in summer 2012.

## **Office of English Language Programs**

Enhancing American English language teaching and learning abroad is a strategic priority and a vital public diplomacy tool. The English Language Programs office runs and oversees programs, with a special focus on young people, particularly the underserved; produces language support materials, both independently and in coordination with outside contractors; and employs online and mobile technologies to increase its reach to teachers and students worldwide. As the bureau's focus on English language teaching has increased, so have the office's budget (\$44.6 million in FY 2011) and employees, half of whom have been in their jobs less than 18 months.

During the inspection, office leadership and many staff members focused on salvaging multiple projects that originated with senior leadership in the bureau or R. The OIG team found no cleared initial concept paper specifying project goals or how success would be measured; little or no needs assessment or cost-benefit analysis; either no implementation plan or one that was poorly coordinated; and no feedback loop to test and refine the concept before signing an agreement. Often, senior leaders did not examine lessons learned from pilot projects. As a result, more than 1,000 hours of staff time and potentially upwards of \$1 million were not well used.

**Recommendation 16:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should implement and adhere to a systematic preacquisition planning process that is in accordance with guidelines from the Bureau of Administration's Office of the Procurement Executive. (Action: ECA, in coordination with R/PPR)

Among the five projects the OIG team reviewed, the most serious problem pertained to materials for the office's English Access Microscholarship Program. ECA's then Assistant Secretary wanted an interactive, multimedia educational game to supplement English language classes for 32,000 nonelite teens in 90 countries. She gave the office such a tight deadline to develop the scope of work that it could neither conduct a thorough needs assessment nor perform in-depth market research, both of which are part of the office's standard operating procedures. The game prototype cost \$1.1 million and did not meet expectations. Nonetheless, a \$5.3 million contract for game development was awarded before a working prototype was finished. The English Language office is working intensively to support the contractor, but the project is now more than 2 years behind the initial schedule.

**Recommendation 17:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should determine whether the educational video game contractor for the English Access Online program has met the terms of performance under the contracts and, if not, pursue a remedy. (Action: ECA, in coordination with A)

Much of the office's production has moved online, substantially reducing the workload of the individual responsible for procurement and making this position unnecessary. The office needs a writer/editor with project management expertise to negotiate use rights with authors and track copyrights on materials and pictures.

**Recommendation 18:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Human Resources, should restructure the purchasing agent position, number S9922600, to include other duties to make full use of the position and better meet the needs of the English Language Programs office. (Action: ECA, in coordination with DGHR)

ECA has more than 20 Foreign Service personnel and additional staff members serving in the field as regional English language officers. Each has an advanced degree in teaching English as a foreign language and extensive teacher training experience. To increase the impact of these officers, the OIG team advised the office to develop standard work goals and performance indicators that the language officers can refine in coordination with the public affairs officers at their posts.

Regional English language officers who responded to an OIG survey gave the office high marks for its programs, but more than half rated their initial orientation and training as average or below. The English Language office has been working with the Foreign Service Institute to develop standard orientation training and a training continuum for future tours, efforts that the OIG team believes are needed.

**Recommendation 19:** The Bureau of Educational and Cultural Affairs, in coordination with the Foreign Service Institute, should finalize an orientation training program and a training continuum for regional English language officers. (Action: ECA, in coordination with FSI)

Regional officers gave high marks to the office's online language materials and the *English Teaching Forum*, a quarterly peer-reviewed journal for teachers of English as a foreign or second language. Respondents gave lower scores to the print, video, and audio materials in ECA's publication catalog. The OIG team suggested ways the office might use its programs

more systematically to produce high-quality material for *Forum* and to make its online version interactive. The office already has a grantee evaluating current materials and conducting a needs assessment for future products.

### **Office of Global Educational Programs**

The Office of Global Educational Programs has three branches: Educational Information and Resources, Humphrey Fellowships and Institutional Linkages, and Teacher Exchange. Its FY 2011 budget was \$39.5 million. (The \$12.5 million for Humphrey fellowships and \$14.9 million for teacher exchanges are included in the figure for the overall Fulbright programs provided earlier.) The three branches work well, but their mandates are dissimilar, and the OIG team questioned why they were grouped together in Global Educational Programs. There is little communication among the branches, diminishing whatever opportunities exist for collaboration. All-office meetings might help.

#### ***Educational Information and Resources***

This small branch oversees the bureau's efforts to provide unbiased advice to foreigners interested in study in the United States. Following a sharp decline in 2001, the number of foreign students at U.S. colleges and universities has rebounded, bringing revenues and diversity to U.S. campuses. More than 723,000 international students now study in the United States.

The branch provides training and material to local educational advisors hired by embassies and Fulbright commissions. The local advisors receive advice and assistance from a network of regional educational advising coordinators who are paid through a grant overseen by the branch. The branch's previous director astutely redirected advising resources from "legacy" operations to countries sending large numbers of students to the United States, such as China and India. She also embarked on a project to make the regional coordinators direct-hire employees; the OIG team believes the current system works well, is cost effective, and should continue.

In an OIG survey sent to overseas missions, embassies complained that visits from regional educational advising coordinators are too few and far between. Tight budgets mean that more frequent travel is unlikely, so the branch needs to develop alternatives.

***Informal Recommendation 11:*** The Bureau of Educational and Cultural Affairs should increase interaction between regional educational advising coordinators and embassy- or commission-based advisers through more regional workshops and video conferences.

The branch's record keeping is inadequate, a deficiency that it has begun to address. Completing this initiative will not require additional resources, only a commitment to keep records in official files rather than in personal folders that are difficult for others to access.

#### ***Humphrey Fellowships and Institutional Linkages***

Two employees and the branch chief oversee the Humphrey Fellowship program, which annually brings approximately 200 mid-career professionals from developing countries to the United States for 10 months of study and professional experiences. Program employees work

effectively with the embassies that nominate candidates, the expert panels that select the finalists, and the universities that play host to the visiting scholars.

Three other staff members work on the community college initiative program, designed to increase the exposure of U.S. community colleges to the international arena and provide students from underserved populations overseas the opportunity to study in 1-year, nondegree programs at American community college campuses. Branch staff acknowledges that the program works better in some countries than in others. Given the approximate \$4,500 cost per student, ECA needs to examine where the program works best and concentrate its resources in those countries or in programs that promise a substantial payoff, like the pilot program that brings foreign teachers and administrators to the United States to learn how to establish the U.S. community college model overseas.

***Informal Recommendation 12:*** The Bureau of Educational and Cultural Affairs should review its community college initiative program and implement changes that would make the program more effective.

The workload in the branch is distributed unevenly. The Humphrey program has spikes of intense activity but operates on an even keel most of the year. One staff member in the community college initiative program deals with the pilot program for administrators and teachers and a consortium responsible for 200 foreign students; two colleagues handle consortia that oversee only 70 and 40 students, respectively. The branch is cross-training staff in each section to assist colleagues when necessary. Continuing this effort and redistributing workloads provides a cost-effective alternative to replacing a recently departed staff member, which the branch currently plans to do. The OIG team believes that position could be used elsewhere in the bureau.

***Informal Recommendation 13:*** The Bureau of Educational and Cultural Affairs should reconsider plans to fill a vacant position in the Humphrey Fellowships and Institutional Linkages branch in the Office of Global Educational Programs and instead redistribute staff workloads, continue the branch's cross-training efforts, and allow the vacant position to be used elsewhere in the bureau.

### ***Teacher Exchanges Branch***

The Teacher Exchange Program provides opportunities for U.S. elementary and secondary school teachers and for college and university faculty to teach abroad, usually for a full academic year, and for foreign educators to work in the United States. Currently, there are more than 250 American teachers abroad and more than 350 foreign teachers in the United States in this program. The OIG team found that the branch suffers from the same problems (b) (5) as other parts of ECA; improved internal communication would help.

### **Office of Citizen Exchanges**

The Office of Citizen Exchanges, with an FY 2011 budget of \$94.5 million, focuses its programs on ECA priority groups: youth, women and girls, and underserved audiences. The office concentrates on countries and regions that are of strategic importance and on maintaining

strong relationships with the successor generation of key allies. The office's four divisions cover an array of two- and one-way exchanges, with programs for youth, sports, culture and arts, and professionals. In FY 2010, nearly 6,650 participants (one-third American, two-thirds foreign) traveled on Citizen Exchanges programs. In FY 2011, in addition to actual exchanges, another 5,585 students participated in "virtual exchanges" linking overseas and U.S. schools online. In the past 2 years, the office has undergone several leadership changes, enhanced oversight of youth programs, and improved its organizational cohesion and strategic focus.

### *Youth Exchange Programs*

In 2009, because of a situation involving foreign high school students in ECA-sponsored and private exchanges in Scranton, Pennsylvania, and a subsequent OIG review, the Department determined that ECA youth programs were significantly deficient. New standards for monitoring such programs, including on-site contact, were established and implemented for private placement organizations and for ECA. The bureau also developed and implemented its own internal plan for monitoring and supporting participants in youth programs. The more stringent standards have resulted in improvements. The Department's Management Control Steering Committee closed the significant deficiency on the youth exchange program in November 2011. ECA's evaluation is ongoing.

Enhanced monitoring of foreign students in the United States did not result in comparably tight monitoring of American youth exchange participants overseas. Lack of jurisdiction is one reason for the disparity; the cost of overseas travel for monitors is another. Although U.S. embassies respond when there is a problem, they have no mandate to be proactive or to conduct site visits that might forestall problems. Responsibility for participant well-being is left to the student and to the on-site representative of the grantee placement organization. A better approach is needed.

**Recommendation 20:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Consular Affairs and the regional bureaus, should send a cable with appropriate guidance to U.S. embassies in countries hosting American citizen youth on Department of State-sponsored exchanges so that mission staff provides a uniform system and level of participant support and monitoring. (Action: ECA, in coordination with CA, AF, EAP, EUR, NEA, SCA, and WHA)

### *Capacity Crisis*

Participants in the youth program can only be placed in the United States when there is a family to host them and a school that accepts their enrollment. There is a capacity crisis of host families and host schools that is capping and reducing the numbers of participants in popular ECA-sponsored youth exchanges. After nearly a decade of growth, the past 2 years have seen declining participant numbers, from 2,398 inbound placements in the 2010–2011 academic year to 1,899 in 2011–2012. The decline is counterintuitive, as interest remains high, especially in programs aimed at increasing mutual understanding between the United States and countries with significant Muslim majority populations. Factors accounting for the decline include tighter regulations resulting from problems associated with students placed with inappropriate host families; the inability of placement agencies to guarantee a sufficient number of suitable host

families; the expense of hosting an exchange student in the current economic environment; significant competition from numerous private exchange programs and F-1 student visa holders; and limits imposed by high schools on the number of exchange students they will accept. ECA is exploring strategies to reverse this negative trend through marketing campaigns and other initiatives.

***Exchanges Not Funded by the Bureau of Educational and Cultural Affairs***

On occasion, a bureau or embassy approaches ECA to run an exchange program with funding from sources outside ECA. U.S. embassies, with the support of their regional bureaus, have developed their own programs to bring American cultural, sports, or other groups overseas. In recent years, embassies also have used their own funds to send individuals or groups from their host countries to the United States. In such cases, embassies have relied on staff in the Office of Private Sector Designation to sign the Certificate of Eligibility for Exchange Visitor (J-1) status (Form DS-2019), which exchange participants need to apply for a J-1 visa. Last year, Designation office staff signed forms for some 900 exchange visitors. Allowing Designation staff members to sign DS-2019s may create a false impression that they are responsible for the visitors or the success of their programs. Such responsibility better resides in the public diplomacy offices of the geographic bureaus that oversee the missions where the programs originate.

**Recommendation 21:** The Bureau of Educational and Cultural Affairs should assign to relevant regional bureaus the responsibility for signing DS-2019 forms for inbound exchange visitor programs that are initiated and funded by overseas posts. (Action: ECA, in coordination with AF, EAP, EUR, NEA, SCA, and WHA)

Senior levels of ECA are often unaware of these exchanges, even though they may mirror ECA programs or use the same programming agencies. This is especially the case with Americans going overseas who need no sponsorships or U.S. visas. One reason for duplicative programs is that ECA has limited funds and a limited number of exchange slots for an embassy, but an embassy or host country government may want a larger program and be able to provide the necessary funds. It is unclear how many embassies sponsor their own programs, how many outbound participants are involved, what the overall cost is, or which appropriations are used. No mechanism exists to inform Department managers of the scope of non-ECA exchanges.

**Recommendation 22:** The Under Secretary for Public Diplomacy and Public Affairs, in coordination with the Bureau of Educational and Cultural Affairs and the regional bureaus, should conduct a survey to determine the extent of bureau- and embassy-initiated exchange programs that are not funded by the Bureau of Educational and Cultural Affairs and maintain those results by designing and implementing a database into which bureaus and embassies can enter information to be conveyed to resource managers and strategic planners. (Action: R/PPR, in coordination with ECA, AF, EAP, EUR, NEA, SCA, and WHA)

Because embassy and regional bureau coordination with ECA is not required for such exchange programs, ECA takes no responsibility for them. However, some in ECA worry that these mirror programs may not meet ECA standards. For example, participants may not have accident or medical insurance or there may be a breakdown in internal controls due to inadequate

government oversight. The application of uniform standards would reduce the risk both to programs and participants. ECA cannot become a clearinghouse for all exchanges, but developing a checklist and other guidance for bureaus or embassies running their own exchange programs and putting this information on the ECA Web site would be useful, as would the establishment of a help desk, serviced by a telephone number and email address, that could provide additional information or direct inquirers to someone with expertise in the type of exchange desired.

**Recommendation 23:** The Bureau of Educational and Cultural Affairs should implement an online information resource that is easily accessible to embassies and regional bureaus, that will provide comprehensive management and programmatic guidance for non-bureau-sponsored exchanges, and that is supplemented by a help desk for direct inquiries. (Action: ECA)

### **Office of International Visitors**

The International Visitor Leadership Program is one of ECA's flagship exchanges. It brings to the United States for visits of up to 3 weeks people whom U.S. embassies identify as potential leaders. The office's employees ably design and organize visits, but their work is hindered by uneven workloads, inefficient procedures, and imperfect mechanisms for evaluating their own performance and that of grant recipients. In FY 2011, ECA funded 5,291 international visitors at a cost of \$91 million.

ECA oversees the program through a large, unwieldy office of 95 full-time employees supervised by a Schedule C director and a single Civil Service deputy. Staffing levels are adequate, but workloads are uneven. The OIG team found significant disparities in the work performed by different units. Some of this imbalance is due to a lack of flexibility. For example, the office assigns most program coordinators to individual regional branches, although their work is functional and interchangeable in nature. This practice makes it difficult to shift coordinators in response to fluctuations in demand.

**Informal Recommendation 14:** The Bureau of Educational and Cultural Affairs should revise work requirements of program coordinators in the Office of International Visitors to require their support for projects of highest priority to the office as a whole instead of only to those in regional branches.

Despite the fears of some employees that it could compromise the program's integrity, the office has increasingly aligned its work to support foreign policy priorities. Policymakers praise the shift, but the change has exacerbated workflow problems. A substantial increase in the number of visitors from Afghanistan, Iraq, and Pakistan, for example, has not been accompanied by changes in organizational structure. The office still devotes a separate branch to every region of the world except the two that now represent its largest workload—South/Central Asia and the Near East and North Africa.

**Recommendation 24:** The Bureau of Educational and Cultural Affairs should respond to changes in the regional distribution of the workload in its Office of International Visitors by creating separate branches for South/Central Asia and the Near East and North Africa and by combining other branches with lesser workloads if necessary. (Action: ECA)

(b) (5) [REDACTED] Employees appreciate their telecommuting privileges [REDACTED]  
(b)(5)(b)(6) [REDACTED] The office needs another senior manager to improve communication and increase consistency in practices and standards. Rather than create an additional position, the OIG team identified an underutilized position in the office's New York branch that could be put to better use as a second deputy in Washington. This FS-01 position has no supervisory responsibilities and is currently being used for duties normally performed at the GS-13 level.

**Recommendation 25:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Human Resources, should reprogram position number U0166200 from the New York program branch as a second deputy director in the Office of International Visitors upon departure of the incumbent. (Action: ECA, in coordination with DGHR)

In part because it has too many employees to accommodate conveniently in a single conference room, the office rarely holds staff meetings. This has hampered coordination and communication. The unit most directly affected is the Voluntary Visitors division, which arranges short programs for embassy contacts traveling to the United States at their own expense. Because of space constraints, the unit is housed on a different floor than the rest of the office.

(b) (5) [REDACTED]  
[REDACTED] For more than a year before the inspection, ECA did not assign a full-time chief for this division.

Employees in the Voluntary Visitors division perceive workload imbalances. Some of this is due to a growing number of requests by senior officials in Washington to add last-minute, ad hoc projects to those proposed by embassies. Much of the administrative program work for such visits must be done in ECA because the agencies that would normally be contracted to do it are not sufficiently fast or flexible. At the same time, Voluntary Visitors employees who arrange such programs rarely coordinate with their regional counterparts elsewhere in the Office of International Visitors, creating a risk of duplicated efforts. The OIG team questioned whether it is necessary for the office to maintain a separate Voluntary Visitors division or whether it might be better to integrate it with the branches based on regions.

**Recommendation 26:** The Bureau of Educational and Cultural Affairs should include in its strategic planning efforts a review of the need for a separate Voluntary Visitors division in the Office of International Visitors. (Action: ECA)

The inspection found two key obstacles to more efficient performance. First, many employees cannot respond effectively to tasking orders from the Assistant Secretary level because the orders are not sufficiently clear. See the Executive Direction section for the OIG team's proposed solution to this problem. Second, most employees did not receive a structured introduction by the office to their duties, including written guidelines on the details of how the International Visitor Leadership Program operates.

**Informal Recommendation 15:** The Bureau of Educational and Cultural Affairs should assign an employee in the Office of International Visitors to develop and maintain a "smart book" with documents employees need to carry out their duties, including files,

instructions, formats, and other necessary information, and distribute it to all new employees on arrival.

Program evaluation is weak. The office monitors and evaluates its own performance and that of the agencies that carry out the bulk of its program work through grants. Shortly before the inspection, the office named more grants officer representatives and made sure they were trained. It also began a project to revise and standardize the checklists used to conduct evaluations. The office does not need additional contract studies, only a simple but effective method to evaluate which visits were successful, how well program agencies performed, and whether any weaknesses could be identified.

***Informal Recommendation 16:*** The Bureau of Educational and Cultural Affairs should complete its current, in-house project to revise, improve, and standardize procedures for evaluating International Visitor projects and the performance of program agencies.

In addition to its Washington components, the office includes a branch of 13 government employees in New York who manage programs for the large percentage of international visitors who arrive there. This arrangement is more cost effective than using independent program agencies in New York. By working closely with authorities at New York's busy airports, for example, these employees have reduced the problems posed for official visitors from the Middle East due to increased immigration and security scrutiny. Because of the seasonal nature of its work, the branch makes heavy use of long-term contractors. In 2011 the bureau reduced expenditures in this area without degrading productivity by limiting such contractors to 189 days a year. It also reduced the cost of several services by sharing them with the U.S. Mission to the United Nations, an arrangement that has been effective in all areas except information management. At present, the New York branch supports only the International Visitor and Leadership Program. Without creating additional positions, ECA could make more use of this resource to represent the entire bureau.

**Recommendation 27:** The Bureau of Educational and Cultural Affairs should carry out a pilot program to determine whether the New York program branch of the Office of International Visitors could effectively support other bureau offices and programs. (Action: ECA)

ECA spent \$14.8 million in FY 2011 on interpreters and other escorts who were contracted by the Bureau of Administration's Office of Language Services. The bureau last issued guidelines for the conduct of interpreters and other escorts in 2004. It is updating the guidelines now after finding isolated instances of poor performance. Even with the new guidelines, ECA lacks an adequate way to provide formal feedback to the Office of Language Services on interpreters and other escorts. The Office of Language Services is responsible for paying escorts and interpreters, but ECA is responsible for defining their work duties. The OIG team found only informal anecdotal feedback on their performance.

**Recommendation 28:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should implement a method for providing the Office of Language Services with official feedback on the performance of interpreters and others who escort international visitors. (Action: ECA, in coordination with A)

## Office of Private Sector Exchange

The Office of Private Sector Exchange (EC) is involved in a variety of activities, some of which have little to do with private sector exchanges. For example, two of its three subentities handle the designation and compliance functions for the more than 1,200 program sponsors currently authorized to facilitate programs in any of the 15 J visa categories. Some of these categories involve only government-funded (public sector) participants, some only privately funded participants, and others a combination of both.

The designations staff reviews applications from governmental, nonprofit, and for-profit organizations wishing to obtain authorization to issue a Form DS-2019. Organizations pay a fee of approximately \$2,700 per program designation applied for, and designations must be renewed every 2 years. Many sponsors are designated for multiple J visa categories. Designations staff also receives and reviews complaints about sponsor performance. Compliance staff reviews the designation staff's referrals of possible regulatory violations and, if appropriate, drafts sanction notices for approval by the EC DAS. Designations and compliance staff also oversee sponsors' performance in updating exchange visitors' records in the Department of Homeland Security's Student and Exchange Visitor Information System (SEVIS). A third EC unit handles public-private partnership outreach; serves as the secretariat for the more than 60 Federal departments, agencies, and commissions represented on the IAWG; and reviews Section 212(e) (Immigration and Nationality Act) requests from ECA-funded exchange visitors seeking waivers of the 2-year home residency requirement.

EC staff comprises 33 direct hires and 7 contractors. Fees generated through the sponsor designation and biennial redesignation processes, participant payments for program adjustments, and participant SEVIS fees currently fund all designations and compliance positions. Several EC staff members believe that their jobs ultimately depend on the level of revenues generated by these processes. This arrangement creates a potential conflict of interest. The primary concern of EC staff should be the rigorous oversight of the selection and performance of sponsors to ensure that the cultural exchange experiences of participants are positive. The Department's reputation can be placed at risk when staff focuses on the quantity of fee-paying participants and sponsors rather than on the quality of the visitors' experiences. If these programs are worth continuing, they warrant ECA's investment of some of its appropriated funding in staffing them.

**Recommendation 29:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, the Bureau of Resource Management, and the Bureau of Legislative Affairs, should revise its funding distribution so that designations and compliance staff salaries do not derive exclusively from fees the bureau receives from the sponsor designation and Department of Homeland Security's Student and Exchange Visitor Information System registration processes. (Action: ECA, in coordination with L, RM, and H)

### *Consequences of Unregulated Growth in Private Sector Programs*

Between 1990 and 2010, J visa issuance nearly doubled from 175,000 to more than 300,000. Much of the growth has been in privately funded programs. The SWT program alone grew from fewer than 20,000 participants in 1990 to 153,000 in 2008 and involved some 120,000 in 2010. ECA now struggles to provide much-needed oversight to the more than 1,200 sponsor

organizations charged with ensuring successful cultural exchange experiences for all exchange program participants—be they ECA funded or privately funded.

In addition to sponsor designations and compliance activity for all J visa programs, EC is responsible for managing the eight programs that receive no appropriated funds: alien physician, au pair, camp counselor, intern, secondary school student, SWT, teacher, and trainee. In recent years, significant issues have arisen regarding the au pair, secondary school student, and SWT programs. Several observers commented that other programs have serious unaddressed issues about which the public is currently unaware.

These programs have attracted hundreds of sponsors. Once designated, a sponsor can issue as many DS-2019 forms as EC has authorized for its organization that year. In addition, the sponsor and its overseas representative can charge participants whatever fees it deems appropriate, as ECA has set no limits on these fees but allows “the market” to set them.

In recent years, negative press reports have prompted ECA to systematically review the performance of designated sponsors in various programs to whom thousands of exchange visitors are entrusted each year. Many visitors are young persons of secondary school or college age, whose safety and well-being are of paramount importance, making it imperative that ECA hold sponsors to the highest standards. Except for a recent change in the SWT program, ECA has not limited the number of sponsors or participants in each program under its purview nor instituted systematic on-site reviews of sponsor performance, despite a specific recommendation made to this effect in a 2007 study, “Exchange Visitor Program Internal Controls Assessment,” which ECA itself commissioned.

**Recommendation 30:** The Bureau of Educational and Cultural Affairs should establish the maximum number of sponsor organizations and participants for each J visa program that its current resources and capacity can manage with appropriate quality controls. (Action: ECA)

**Recommendation 31:** The Bureau of Educational and Cultural Affairs should revise regulations governing all J visa programs to establish the maximum fees sponsors and their overseas representatives may charge participants. (Action: ECA)

**Recommendation 32:** The Bureau of Educational and Cultural Affairs should implement a plan to conduct on-site reviews of every sponsoring organization at least once every 2 years as part of the redesignation process, increasing designation fees as necessary to defray travel and per diem costs. (Action: ECA)

### ***Weak Regulations Undermine Oversight***

Weak regulations make responsible management of ECA’s numerous programs difficult. Even limited sanctioning of inadequate sponsor performance requires a time-consuming, multistep exercise that rarely results in meaningful consequences for a delinquent sponsor. When EC staff members have recommended higher level sanctions, they have often been overruled. Since 2006, ECA has imposed a total of 21 sanctions that led to termination or a reduction in the number of authorized DS-2019 forms for reasons other than insufficient program activity (5 participants per year). Some organizations that placed secondary school students in homes with

convicted felons continued for extended periods to operate as designated sponsors. Current multilayered regulatory requirements render swift and meaningful sanctions impossible: more than a year elapsed between ECA's discovery that one sponsor had for years been placing high school students with a convicted murderer and ECA's termination of the sponsor's designation.

**Recommendation 33:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should provide streamlined and more stringent sanctions for noncompliance with any regulatory requirement. (Action: ECA, in coordination with L)

ECA does not require designated sponsors to sign agreements that explicitly enumerate what they are required to and prohibited from doing. Requiring responsible officers at sponsor organizations to sign such a document would make it easier to sanction and terminate noncompliant program sponsors.

**Recommendation 34:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should implement and enforce written agreements in which sponsors' responsible officers and alternate responsible officers commit to deliver required services, follow program regulations and Department of State guidance, and refrain from prohibited practices. (Action: ECA, in coordination with L)

When ECA's management of the au pair program faltered several years ago, ECA established an annual program audit requirement for sponsors. The 2007 external study cited previously recommended that audits be required for sponsors in all programs, which the OIG team agrees are necessary. However, ECA has yet to require such audits in any other program. The Office of Management and Budget's Revised Circular A-123 calls for, among other things, effectiveness and efficiency of operations and compliance with applicable laws and regulations. Requiring program audits is a standard method for government managers to obtain useful insights into these important areas. In light of the limited staff resources to oversee the hundreds of program sponsors ECA has designated in its myriad programs, the absence of annual program audits renders ongoing, systematic oversight of sponsor compliance virtually impossible.

**Recommendation 35:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should implement an annual program audit requirement for designated sponsors in every J visa program. (Action: ECA, in coordination with L)

### *Review of Use of J Visas for Work Programs*

In the midst of unfettered program growth, ECA lost sight of the original intent of some J visa programs. Seven of eight private sector exchange categories involve aliens coming to the United States to work for periods from 4 months to 7 years. Some designated sponsors are for-profit entities employing J visa holders in their own businesses. The OIG team questions the appropriateness of using J visas in work programs such as alien physician, teacher, au pair, intern, and trainee.

Unlike H1B/H2B nonimmigrant and employment-based immigrant visa programs, J visa programs do not require a Department of Labor analysis of American labor market conditions. J visas are also not subject to the statutory numerical limitations that apply to H visas. Moreover,

American businesses employing J visa holders need not advertise jobs to American workers. Department of Labor officials report increasing evidence of H1B/H2B and J visa holders working side by side in the same jobs.

In addition, the length of stay authorized for alien physicians (as long as 7 years) and teachers (as long as 3 years), and the practice of many such participants to adjust to H1B or other visa categories when their time under the J visa is expiring, call into question the likelihood that program participants will return home as envisioned under the Fulbright-Hays Act. Although it is difficult to capture precisely, available statistics indicate that, on average, about 40 percent of alien physician participants who enter the United States each year later transfer to an H1B visa.

Critics of J visa programs claim that the lack of any labor market analysis and a concomitant adjustment of these programs' scale and scope negatively affect American workers. They believe that J visa categories such as intern and trainee are little more than expeditious vehicles for importing low- or no-cost labor into the United States. The OIG team questions the appropriateness of allowing what are essentially work programs to masquerade as cultural exchange activities. If categories of the J visa program are not primarily cultural exchange programs, they should have a different visa designation and either be transferred to another Federal agency that has the requisite expertise or be discontinued altogether.

**Recommendation 36:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Consular Affairs, the Office of the Legal Adviser, and the Bureau of Legislative Affairs, should submit a proposal to the Deputy Secretary for Resources and Management to determine the viability of ending or transferring its current responsibilities for the alien physician, au pair, intern, teacher, and trainee programs to the Department of Labor. (Action: ECA, in coordination with CA, L, and H)

Section 212(e) of the Immigration and Nationality Act allows waivers of the legislatively mandated 2-year home residency requirement for certain J visa recipients, but the Department's approach has been to support them on a wholesale basis—except when the waiver applicant is a recipient of ECA exchange program funding. The OIG team believes this practice is inconsistent with the spirit of the Fulbright-Hays Act.

In FY 2011, the Department of Homeland Security, which is guided by the Department's advice, denied only 228 (less than 4 percent) of the 5,800 212(e) waiver requests it adjudicated. One common pattern is for teachers or alien physicians nearing completion of their J visa program to obtain a 212(e) waiver and then acquire an H1B visa that is usually valid for two successive 3-year periods. This allows an alien physician a total of 13 years living and working in the United States in nonimmigrant status, and a teacher up to 9 years. These extended periods of employment in the United States appear to be inconsistent with the common understanding of cultural exchange activities.

**Recommendation 37:** The Bureau of Consular Affairs, in coordination with the Bureau of Educational and Cultural Affairs, should prepare a report reflecting how its recommendations to the Department of Homeland Security concerning Section 212(e) waiver requests properly balance the intent of the Fulbright-Hays Act with other relevant policy considerations. (Action: CA, in coordination with ECA)

### *Secondary School Students*

In 2009, a scandal involving the placement of secondary school students in Scranton, Pennsylvania, called into question the adequacy of ECA oversight of the 92 sponsors dealing with this vulnerable population. In 2010, for the first time, ECA embarked on systematic on-site reviews of the largest program sponsors responsible for the well-being of thousands of teenagers placed with host families nationwide. ECA sent teams comprising members of its Compliance, Youth Programs, and Grants staff to review the operations of the 39 largest sponsors, collectively responsible for 72 percent of secondary school student participants.

The on-site review teams found that many sponsors inadequately maintained SEVIS records, thereby thwarting the Department of Homeland Security's efforts to fulfill its national security mandate of tracking the whereabouts of all J visa holders in the United States. Sponsors had not always completed the required annual criminal background checks on host families, resulting in teens being placed in homes with sex offenders and other felons. Given the challenges of the economy, sponsors were finding it difficult to attract host families. Rather than limit the number of students brought to the United States, some sponsors lowered standards. Students reported host family requests that they provide day care, do housework, perform farm labor, or work in host family-owned businesses. Some students had insufficient food and lived in squalor. From January 2010 through October 2011, ECA received allegations related to sexual abuse or sexual harassment of 118 participants in the secondary school student program.

**Recommendation 38:** The Bureau of Educational and Cultural Affairs should establish a process to refer credible allegations of criminal activity to the Bureau of Diplomatic Security, the Office of Inspector General's Office of Investigations, or to an appropriate law enforcement organization. (Action: ECA)

Although in early 2009 EC established a Joint Review Committee involving three senior EC managers to consider sanctions against program sponsors, when the high school review results came in, EC decided to convene an "ad hoc evaluation review committee" to provide an independent review of the results and recommend appropriate remedial action where needed. It is unclear why the established review body, which included staff familiar with both the regulatory requirements and day-to-day operations of the program, was bypassed. The OIG team was told that EC thought this ad hoc group "could better withstand external scrutiny."

These first-ever systematic on-site reviews also found that 15 of the 39 sponsors did not comply with regulations. Section 502(a) of the Enhanced Border Security and Visa Entry Reform Act of 2002 states that material failure to comply with record keeping and reporting requirements shall "result in the suspension for at least one year or termination...at the election of the Secretary of State, of the...entity's designation to sponsor exchange visitor program participants." Despite this, the ad hoc evaluation review committee gave only the minimal sanction, a letter of reprimand, to 11 sponsors; there was no reduction in their level of authorized activity. ECA reduced the DS-2019 allocations for 2 sponsors by a collective total of 310 forms and terminated from the secondary school student program 2 organizations with a combined allocation of 277 DS-2019 forms. (The terminated sponsors had placed students in the home of the same convicted murderer.) These actions had the effect of reducing the secondary school student program by only 2 percent. In spite of the limited impact of the on-site reviews, the OIG

team noted that ECA/EC front office staff exaggerated the results in communications with senior Department officials, overstating the extent of both the program sanctions and ECA's compliance activity.

The acting DAS recognizes that the creation of a system for ECA to check prospective host family names against a database of past incidents and complaints will better ensure that secondary school students are not placed with families unfit to host students. He convened discussions with his staff, the Youth Programs division in ECA's Office of Citizen Exchanges, and the Office of the Legal Adviser. They agreed to implement a pilot program to cross-check the names of host families of all ECA-funded secondary school exchanges and aim to cross-check all host families in the future. ECA might also consider cross-checking sponsors and their local representatives.

The secondary school student program regulations require annual criminal background checks on all adult members of a host family. The regulations do not dictate, however, the type of criminal background check, and sponsors generally use private databases to fulfill the requirement. Because a number of states do not allow criminal information to be stored in these private databases, significant risk remains that students may be placed in homes with criminals. EC and the Office of the Legal Adviser are considering the role that law enforcement agencies may play with regard to checking host family names and criminal history as well as other mechanisms for improved screening of host families.

**Recommendation 39:** The Office of the Legal Adviser, in coordination with the Bureau of Educational and Cultural Affairs and the Bureau of Diplomatic Security, should determine whether host family names can be checked against law enforcement databases and, if so, develop a procedure for such checks. (Action: L, in coordination with ECA and DS)

### *Summer Work Travel Program*

Of the 180,000 participants in 8 private sector exchange programs in 2010, 120,000 came to the United States under the SWT program. Until recent events forced the issue, ECA never sought to limit the growth of this program. Established in the early 1960s, SWT was intended as an opportunity to allow foreign university students with limited means to travel to the United States during their summer vacations and work in seasonal jobs. Many SWT participants were and still are found at beach or other summer resorts across the country and report satisfaction with their experiences. For most, their initial contact is with an overseas agent of an SWT sponsor. ECA has no input into the fees that sponsors or their overseas agents charge prospective participants. Given the different academic calendars in the southern hemisphere and in East Asian countries, SWT is now available year round to students from various parts of the world. Despite the intent that SWT participants fill only seasonal jobs, sponsors have expanded the program to include a wide variety of year-round employment in many unskilled jobs.

Within the past few years, growing law enforcement concerns about the types and location of some SWT employment and related activities exposed serious deficiencies in the quality of job "vetting" undertaken by designated sponsors. Although not responsible for SWT program management, the Bureau of Consular Affairs' Kentucky Consular Center staff and consular officers at embassies overseas have contributed substantially to efforts to screen out

inappropriate or fraudulent jobs and employers. Concerns about fraud and criminal activities were most prevalent with SWT participants from Eastern Europe. At the urging of consular officers and the law enforcement community, ECA developed and implemented a six-country pilot program for participants from Russia, Ukraine, Belarus, Bulgaria, Romania, and Moldova that established more rigorous requirements for sponsors, including confirming job placements before participants arrived in the United States.

Job preplacement and other requirements were extended to SWT participants from any country whose nationals require visas to enter the United States. In addition, through an interim final rule, on July 15, 2011, ECA mandated more active sponsor involvement with SWT participants, including more extensive orientation materials, more rigorous job vetting, and monthly check-ins. In spite of these efforts to gain control over the SWT program, in summer 2011, a visiting human rights delegation of academics and immigration law experts reported that some 200 of the 400 SWT participants sponsored by an organization based in Oregon walked off their jobs at a Hershey plant in Pennsylvania, claiming they had paid as much as \$6,000 for what was to have been a cultural exchange experience. Although not all SWT participants went on strike, those who did alleged abusive labor conditions, exorbitant rents for substandard employer-arranged housing, and no cultural exchange activities. The participants claimed that when they complained, their sponsor organization threatened them with deportation. The Department of Labor is currently investigating these allegations.

In October, the Secretary of State ordered a thorough review to determine how to return the SWT program to its original intent, with cultural exchange at its core, and to develop significant adjustments in SWT's design and governing regulations. ECA plans to limit the categories and conditions of participant work allowed under the program as well as the fees that sponsors and their overseas representatives may charge prospective participants; it has also vowed to increase the cultural component of the SWT program. To improve sponsor oversight of participants and employers, consideration could also be given to limiting the geographic area in which sponsors may place participants. ECA has frozen at 2011 levels the number of SWT sponsors and participants in 2012 (50 and 109,000, respectively). The Department's Management Control Steering Committee voted in November 2011 to include the SWT program as a "material weakness" requiring the Department's ongoing attention in 2012.

The acting DAS for Private Sector Exchange has moved away from the insularity that characterized SWT and other EC programs and has brought concerned players from both inside and outside the Department into the process. The OIG team is hopeful that these efforts will result in a substantially higher performance standard by the beginning of 2012. ECA also has undertaken a series of on-site reviews at 14 of the current 50 SWT sponsor organizations. OIG inspectors are also hopeful that ECA will achieve better results here than with the secondary school student on-site reviews. ECA will use the judgments from these reviews to determine which organizations should no longer be allowed to sponsor SWT participants and which require sanctions for regulatory noncompliance.

**Recommendation 40:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should significantly limit the number of sponsors and participants in the Summer Work Travel program pending implementation of major regulatory change that will

allow more rigorous oversight of the designation, management, and sanctioning of program sponsors. (Action: ECA, in coordination with L)

### ***Benefits of Systematic Information Sharing***

Many of ECA's designated sponsors participate in multiple privately funded programs. Some also receive grants from ECA or other U.S. Government entities for a variety of exchange activities. Yet ECA has no mechanism for systematically gathering relevant information from government actors concerning the performance of these sponsors. A U.S. Agency for International Development audit of one SWT sponsor revealed disallowed and questioned charges of approximately \$250,000. During the 4 years since this finding, the sponsor continued to operate in the SWT program because ECA was unaware of the agency's audit findings. When ECA sanctions a sponsor for regulatory noncompliance in one program, there is no automatic review of the sponsor's performance in other programs.

**Recommendation 41:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Resource Management, should implement a procedure for gathering relevant information on its designated sponsors from other Department of State and U.S. Government entities. (Action: ECA, in coordination with RM)

**Recommendation 42:** The Bureau of Educational and Cultural Affairs should implement a procedure under which a sanction in any program triggers an on-site review of all other programs under that designated sponsor's purview. (Action: ECA)

### ***Internal Communications and Procedures***

Despite the findings of the previously cited 2007 study, which found internal communications lacking, EC staff continues to receive limited information about discussions taking place at senior levels concerning their programs. Likewise, ECA senior staff and even seventh floor principals may receive inaccurate or misleading information, as those with day-to-day knowledge of the programs are excluded from communications. Although there is some communication among the three EC units, most is on an informal basis. This insular approach to staff and program management adds to an aura of organizational dysfunction.

Written procedures for internal clearance processes for memoranda, correspondence, compliance, designations, Freedom of Information Act requests, etc., are available to and followed by EC staff. However, the OIG team was unable to find documentation in ECA files that reflected policy-level approval of various EC-initiated pilot projects. A July 2008 ECA policy statement distributed to all program sponsors prohibited sponsor payments to the host families of secondary school student participants. However, EC subsequently authorized one sponsor to continue making such payments. The OIG team could not determine what process EC used in granting this exception.

The number of DS-2019 forms ECA authorizes a sponsor is important to the sponsor's institutional livelihood. Sound management controls require that EC staff have clear written guidance on how to address requests for allocation adjustments. No such guidance exists. In practice, program staff considers requests on a case-by-case basis, makes determinations as to

their merit, and prepares recommendations for the DAS's approval. In reviewing the allotment histories of various sponsors, the OIG team noted that, on occasion, program officers had annotated the record with "per XX," followed by a description of what adjustments they had made to the sponsor's allotment level. Such notations normally pertained to sponsor requests for senior-level ECA intervention during the process. In the absence of established guidance on allocation adjustment procedures, this practice renders ECA vulnerable to charges of favoritism.

**Recommendation 43:** The Bureau of Educational and Cultural Affairs should implement clear written procedures and standards for reviewing sponsor requests to adjust DS-2019 allotments. (Action: ECA)

### ***Organization and Program Management***

In addition to its overly large programs, numerous sponsors, and weak regulations, EC's staff organization contributes to its overall dysfunction. The normal process is for designations staff to authorize sponsor participation in various programs through what is primarily a paper review process. Unless an issue arises that the compliance staff must examine, the sponsors are left to conduct business on their own until the next redesignation application 2 years later.

Under this reactive arrangement, no one in ECA is managing the sponsors and programs on a day-to-day basis, which is the root of many of EC's recent problems. The aforementioned 2007 external review also noted this issue and recommended a more holistic approach to program oversight and evaluation.

Designations and compliance staff members do not have a common understanding of the complex legal and regulatory issues that are central to their responsibilities, resulting in conflicting guidance of, and confusion among, sponsors regarding interpretation of regulations. Although EC is responsible for oversight of sponsor performance, few EC staff members had visited sponsors' headquarters until issues arose with the secondary school student and SWT programs, prompting hastily scheduled on-site reviews of some sponsors. A few months prior to the inspection, designations staff visited some 22 college and university J visa sponsors for the first time. No reports of these visits are available, so it is impossible to judge the impact of this travel. Furthermore, new staff members receive little structured training on the complex legal and regulatory issues that are central to their responsibilities.

**Recommendation 44:** The Bureau of Educational and Cultural Affairs should implement a substantive training program on laws and regulations for all staff charged with communicating with sponsors or monitoring sponsor compliance. (Action: ECA)

The current functional organization of EC staff is inadequate to the efficient and effective management of EC programs. A reorganization of staff into programmatic teams responsible for the designation, program management, and compliance functions of each category of J visa would concentrate all available bureau expertise on the management of a single program and its designated sponsors and would minimize the effect of conflicting guidance from designations and compliance staff. ECA could combine the camp counselor program with SWT. Furthermore, if they are determined worthy of continuation as J visa programs, the alien physician, au pair, intern, and trainee programs could be handled by one team or divided between two.

**Recommendation 45:** The Bureau of Educational and Cultural Affairs should restructure the Office of Private Sector Exchange, combining the staff responsible for sponsor designation, program management, and compliance activities for each J visa category into a single unit. (Action: ECA)

Some EC programs duplicate others in ECA, resulting in wasted resources and confusion regarding roles and responsibilities. This issue is particularly problematic for the J visa secondary school student and teacher programs. Once the ongoing SWT review is complete, the OIG team advises ECA to reexamine its overall organization to determine the most effective structure for managing programs—be they ECA funded or privately funded.

The OIG team could find no rationale for the placement in EC of the IAWG, which is responsible for analyzing and reporting exchange data from all U.S. Government departments and agencies, promoting cooperation across the U.S. Government, and identifying programmatic duplication. According to the U.S. Code,<sup>1</sup> the IAWG staff should be in ECA. However, the OIG team believes the staff's placement there hampers it from conducting its legal responsibilities. The IAWG would be better placed in ECA's Office of Policy and Evaluation, which has a broader view of all ECA exchange activities and a mandate by ECA leadership to coordinate exchange activities across the bureau. The office also has clearer authority to send data calls to other agencies, a vital part of the IAWG process.

**Recommendation 46:** The Bureau of Educational and Cultural Affairs should move staff of the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training to the Office of Policy and Evaluation within the Bureau of Educational and Cultural Affairs. (Action: ECA)

Unless granted a 212(e) waiver request, certain J visa exchange visitors must return home to fulfill a 2-year physical presence requirement. Because EC comments only on the 212(e) waiver requests from ECA-funded participants (the Bureau of Consular Affairs handles those without ECA funding), EC is not best placed to perform this function.

**Recommendation 47:** The Bureau of Educational and Cultural Affairs should transfer its responsibility for 212(e) waiver requests from the Office of Private Sector Exchange to the Office of Policy and Evaluation. (Action: ECA)

Public-private partnerships occur in all ECA programs; however, EC's Outreach office, which is responsible for this work and related long-term strategic planning and training, is a subordinate office in EC. Outreach office staff is frequently unaware of what developments are occurring in ECA and would thus be better placed in the Office of Policy and Evaluation, which has a broader mandate and access to all ECA programs.

**Recommendation 48:** The Bureau of Educational and Cultural Affairs should transfer public-private partnership initiatives to the Office of Policy and Evaluation. (Action: ECA)

---

<sup>1</sup> 22 U.S.C. 2460.

## Grants Management

The Program Management and Grants divisions in ECA's executive office (EX) are efficient and provide timely support for the selection and award processes required for grants and cooperative agreements. The OIG team identified a number of opportunities for the bureau to build on improvements it has already made. The lack of standardized procedures for individual grants is a significant problem.

### Individual Grants

ECA provides almost no oversight of the individual grants awarded by EX. These grants, awarded to individuals participating in one-time events or programs, are primarily for travel but can also fund webinars, training, and other programs. ECA awarded 454 individual grants in FY 2011, obligating a total of \$2,119,729. The OIG team identified several problems with the individual grants, including misuse of appropriated funds by providing grant-funded travel to a U.S. Government employee; incomplete grant awards forms; failure to create and maintain required DS-4012 foreign assistance files; failure to designate grants officer representatives; use of the wrong budget object code for direct travel grants; and failure to close out awards and reconcile expenses. Individual grants for travel and other purposes are subject to the same requirements as other government grants. The Department's grants policy office offers specific guidance on managing travel grants. The Support Services office manages the individual grants program, but the extent of the problems the OIG team identified and the lack of accountability for the files demonstrate that individual grants would be managed better elsewhere, specifically the Grants division, where grants officers have the needed experience and training.

**Recommendation 49:** The Bureau of Educational and Cultural Affairs should move the management of individual grants into the Grants division of the executive office. (Action: ECA)

There is no bureauwide guidance on awarding individual grants. Most award files are incomplete, including only the estimated cost of travel instead of the actual cost, or fail to provide a detailed budget and description of the purpose of the award. Some offices also fund travel for government employees through the same grants process as their other programs, resulting in the misuse of appropriated funds.

**Recommendation 50:** The Bureau of Educational and Cultural Affairs should implement standard procedures for awarding individual grants. (Action: ECA)

### Institutional Grants

ECA awards most of its funding through institutional grants and cooperative agreements, by which ECA selects sponsor organizations to develop and implement educational and cultural exchange programs. The Program Management and Grants divisions awarded or renewed 198 institutional grants for FY 2011, obligating \$464 million, despite the limitations of continuing resolutions, uncertain budget expectations, and 6 vacant grants officer positions at the beginning of the year. The Grants division also piloted a number of new procedures and programs that will enhance the bureau's ability to monitor grants adequately, including a new risk assessment tool,

pre-award site visits, and post-award conferences. The Grants division expects to hire enough staff to continue improving its processes, which will include developing a comprehensive annual desk audit for grants officers to conduct with grantees and establishing a 3-year cycle of site visits for the 30 organizations with the most grant funding.

ECA has a number of barriers to competition for grants. The Department encourages competition in awarding grants and cooperative agreements to promote fairness, transparency, and equity in selecting and awarding Federal assistance and to reach a broad pool of qualified applicants. Nonetheless, over the past 5 years, ECA awarded 79 percent of the institutional grant funding managed by the Grants division to just 10 of the 229 recipient organizations, indicating a heavy reliance on familiar organizations.

One barrier to expanding the pool of potential grantees is the limitation to \$60,000 of grant funding for organizations with less than 4 years' experience in conducting international exchange programs. The U.S. Information Agency established this limitation in 1983, and ECA has not adjusted it since. Adjusted for inflation, that limit would now be \$130,000. Over the past 5 years, there was an average of only 3 grants awarded within the \$60,000 limit; by comparison, an average of 10 grants were awarded within the inflation-adjusted amount of \$130,000. ECA is working with the Office of Congressional Affairs to determine the best way to increase this limitation, which severely restricts the ability of newer organizations to compete for grants.

**Recommendation 51:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Legislative Affairs, should increase the limitation on the grants budget for organizations with less than 4 years' experience from \$60,000 to at least \$130,000. (Action: ECA, in coordination with H)

ECA awarded at least 23 percent of new institutional grants in FY 2011 with sole-source solicitations or limited competitions, based on the 4 exceptions to competition defined by the U.S. Code.<sup>2</sup> The bureau relies heavily on the third and fourth exceptions to competition; that is, when an organization has particular expertise in planning and administering long-standing exchange programs, or when introducing competition would increase costs. ECA provides no guidance on criteria or standards for using these exceptions. Consequently, program officers are inconsistent in the strength and detail they include in the documented justifications for exceptions, which could result in uneven application of exemptions.

**Informal Recommendation 17:** The Bureau of Educational and Cultural Affairs should draft and disseminate guidance with clear criteria for justification of the third and fourth exceptions to competition.

The Grants division began using the Executive Office Suite software in FY 2007 and, in some cases, has used the software as a replacement for paper files. However, the software does not duplicate all of the paper files, and the division does not require the continued use of the DS-4012 Foreign Assistance File<sup>3</sup> after the initial award. The OIG team found that most of the

---

<sup>2</sup>22 U.S.C. 1475 h.

<sup>3</sup> The DS-4012 Foreign Assistance File is essentially a checklist of documentation that should be present for each Federal assistance award.

inspected grants files were missing financial and program performance reports, payment information, grants officer representative designation memos, and other required documents. The Department's Grants Policy Directive 38 requires that grants officers maintain paper backup files until there is an approved governmentwide electronic grants system.

**Recommendation 52:** The Bureau of Educational and Cultural Affairs should implement procedures that require grants officers to use the DS-4012 Foreign Assistance File form and maintain complete paper files. (Action: ECA)

### **Monitoring and Evaluation**

The most significant weaknesses in ECA's grants management process are in monitoring and evaluation. In particular, ECA's grants officer representatives do not perform their responsibilities consistently, and the Grants division has not been able to track and follow up on these deficiencies. The bureau has weak standards for monitoring a recipient's compliance with grant requirements, and it has no formal post-award evaluation process that would guide program offices when evaluating proposals from familiar organizations.

### ***Risk Assessment***

The Grants division piloted the use of a new risk assessment tool for institutional grants in FY 2011 and increased ECA's awareness of risk management. The current version of the tool only identifies particular risk factors without offering an assessment of the associated level of risk. The risk assessment tool also does not identify grant requirements needed to mitigate the risk.

***Informal Recommendation 18:*** The Bureau of Educational and Cultural Affairs should include an assessment of the risk level of each proposal and suggested grant requirements to mitigate any identified risks before the Assistant Secretary approves the proposal.

The monitoring plan work sheet currently used by grants officer representatives for each grant award does not address adequately the specific risks for a program or grant recipient. A better plan to address specific risks would include more frequent monitoring, more on-site visits at both the recipient's headquarters and the location of award activity, requirements for more frequent reporting, and the option of making payments on a reimbursement basis.

***Informal Recommendation 19:*** The Bureau of Educational and Cultural Affairs should design a monitoring plan that details actions to address any risks identified in the pre-award risk assessment.

### ***Grants Officer Representatives***

The Grants division prioritized improving its relationship with grants officer representatives in program offices over the past year, with more success in some offices than in others. For example, the Youth Programs division in the Office of Citizen Exchanges welcomed greater communication with grants officers. Nevertheless, the OIG team noted an attitude among some program officer directors that is counterproductive to grants accountability: they consider

their priority to be programs, whereas grants responsibilities are handled by the Grants division. Program offices sometimes name a different grants officer representative without informing the Grants division or the warranted grants officer of the change. A warranted grants officer must formally delegate in writing the grants officer representative for every domestic grant. Redlegation without the explicit approval of the grants officer is a violation of Grants Policy Directive 16 and impedes the ability of the grants officer to exercise full oversight.

**Recommendation 53:** The Bureau of Educational and Cultural Affairs should implement policies that require a new designation memo from the warranted grants officer before the program office may transfer responsibility for a grant to a new grants officer representative. (Action: ECA)

In some cases supervisors of grants officer representatives do not understand the multiple and important responsibilities involved in grants management. When evaluating an employee's performance, they focus on how well the individual carried out a program and neglect to note how well he or she fulfilled grants oversight responsibilities. Warranted grants officers may be in a better position to comment on this aspect of a grants officer representative's performance.

**Informal Recommendation 20:** The Bureau of Educational and Cultural Affairs should create a mechanism for warranted grants officers to provide input for performance evaluations of grants officer representatives.

ECA sets a Department standard by requiring training before certifying a program officer as eligible to be a grants officer representative. However, many certified grants officer representatives completed their training years ago and do not attend refresher training to keep them current with new developments in grants policies.

**Informal Recommendation 21:** The Bureau of Educational and Cultural Affairs should send grants officer representatives to refresher training or workshops annually.

In response to a recommendation from the 2009 management review, the Program Management and Grants divisions proposed modifying ECA's grant renewal process to allow for option years for certain types of ECA exchanges. The OIG team agrees that this modification for appropriate exchange programs will streamline staff resources, reduce the level of unliquidated obligations, and alleviate the burden on recipients for reporting on numerous and sometimes overlapping awards. Currently, a program office's proposal analysis for renewals is one of the only tools the bureau uses consistently for monitoring and evaluation. However, this proposal does not adequately address the need for a replacement monitoring process that enables ECA to conduct an interim evaluation when considering whether to renew a grant.

**Informal Recommendation 22:** The Bureau of Educational and Cultural Affairs should implement a plan to strengthen monitoring and evaluation processes before initiating a pilot program for using option years.

### *Grants Closeout*

ECA includes the evaluation of a recipient's past performance in the risk assessment for renewals and new grant awards but does not have a formal process to record an overall evaluation of a recipient's compliance with the grant requirements at the end of an award. The program offices and grants officers often rely on memory rather than on specific criteria or analyses.

***Informal Recommendation 23:*** The Bureau of Educational and Cultural Affairs should create a system whereby the grants officer solicits written contributions from the grants officer representative before creating a final evaluation report and closing a grant.

The Grants division is unable to close out a large number of grant awards due to missing required documentation, such as a final negotiated indirect cost reimbursement agreement or final reports. In response to this problem, the Department issued a revised grants policy directive that now requires grants officers to proceed with the deobligation and closeout process 24 months after the end of an award, even if the final negotiated indirect cost reimbursement agreement is still missing. However, the Department provided no guidance on how to proceed with implementing the new requirement for older grants that do not include this policy in the award language. Once the procedure is clear, ECA will have at least 287 grants eligible for closeout. Over the past year, the Grants division selected some of the largest remaining grants funds in files overdue for closeout and partially deobligated the remaining funds. However, at least \$4 million in unliquidated obligations has yet to be recovered by the Department.

**Recommendation 54:** The Bureau of Administration should issue guidance on how to implement the new closeout requirements for all grants when the grantee fails to provide all required documents. (Action: A)

**Recommendation 55:** The Bureau of Educational and Cultural Affairs should implement a plan to close out outstanding grants that are more than 24 months past their end date. (Action: ECA)

## Resource Management

### *FY 2011 Bureau of Educational and Cultural Affairs – Staffing\**

<b>U.S. Staff – Domestic</b>	<b>Foreign Service</b>	<b>Civil Service</b>	<b>Total</b>
	40	415	455
<b>U.S. Staff – Overseas<sup>+</sup></b>	<b>Foreign Service</b>	<b>Civil Service</b>	<b>Total</b>
	21	0	21

\*These numbers do not include 80+ contractors and student interns. The number of interns ranges from 7 to 35 depending on the academic season.

<sup>+</sup>Regional English language officers funded out of Washington.

### *FY 2011 Resources Managed by the Bureau of Educational and Cultural Affairs*

<b>Funding Description</b>	<b>Amount</b>
Educational and Cultural Exchange Programs	\$598,800,000
East-West Center	\$20,958,000
Ambassador Fund for Cultural Preservation <sup>a</sup>	\$5,750,000
Cultural Antiquities Task Force <sup>a</sup>	\$1,000,000
Section 810 Fees <sup>b</sup>	\$5,000,000
Israeli Arab Scholarship Program <sup>c</sup>	\$375,000
Eisenhower Exchange Fellowship Program <sup>c</sup>	\$500,000
Center for Middle Eastern-Western Dialogue <sup>c</sup>	\$840,000
<b>Total:</b>	<b>\$633,223,000</b>

<sup>a</sup>These funds are appropriated under the Department’s Diplomatic and Consular Program but managed by ECA’s Cultural Heritage Center staff.

<sup>b</sup>Limitation on level of fee that may be collected and credited to the account during the fiscal year for exchange visitor designation fees and advising recycling.

<sup>c</sup>Ceiling for interest earnings from trust fund investments.

A joint EX provides support services to approximately 700 employees in ECA and IIP as well as to the Office of Policy, Planning, and Resources for R; the Center for Strategic Counterterrorism Communications in the Office of the Secretary; and the Special Representative for Muslim Communities. Under a service-level agreement, the office also provides personnel services to the Bureau of Economic, Energy, and Business Affairs. EX has six divisions that support ECA operations. Its Program Management and Grants divisions are discussed in the Grants Management section of this report. Performance across the remaining divisions and within each division is uneven. Two divisions, Human Resources and Support Services, were rated low on customer service.

A new EX management team is off to a positive start. It identified areas for improvement and began implementing changes to improve services and processes. The challenge of integrating IT staff into EX is discussed in the Information Management and Technology section of the report.

EX's current structure does not serve it well in part because it is a legacy of the former U.S. Information Agency. Some EX functions are spread illogically among the EX divisions. As noted earlier, grants-related functions in Support Services should be moved to the Grants division and the remaining Support Services portfolios should be realigned. In addition, there is no coherence to the four-person Customer Support division, which performs various unrelated functions such as processing invoices, managing the health plan for exchange program participants, and conducting space planning. The reporting structure for the Customer Support division and its positions is unclear and would benefit from restructuring to improve management oversight, increase efficiency, ensure cross-training, and rationalize managers' scope of authority.

**Recommendation 56:** The Bureau of Educational and Cultural Affairs should eliminate the Customer Support division and reassign its staff members to other executive office divisions. (Action: ECA)

(b) (5)

EX has held "town meetings" for staff and recently developed a monthly bulletin to keep employees informed of activities across the divisions. Additional efforts are needed.

### *Customer Service Issues*

Employees throughout ECA criticized the Human Resources and Support Services divisions for poor communication, slowness in resolving issues, and lack of guidance. Inadequate customer service is the foremost issue. Human Resources and Support Services staff members need to be sensitive to the public relations aspects of their jobs. The Human Resources staff, in particular, must be proactive in describing what it does and why. Human Resources recently provided managers who are seeking to fill positions with a sheet that explains the steps required in the hiring process. Although this is an excellent start, both Human Resources and Support Services need to explore other ways to reach out to customers.

**Informal Recommendation 24:** The Bureau of Educational and Cultural Affairs should implement a plan for the Human Resources and Support Services divisions to clarify their work processes and increase client understanding of administrative processes.

ECA employees receive insufficient information on the status of their requests to the Human Resources and Support Services divisions. EX management plans to implement an automated process to allow its staff and bureau employees to request some services online and to track the status of requests, which should reduce frustration and preempt many complaints. However, Human Resources and Support Services staff would also benefit from customer service training at the Foreign Service Institute or elsewhere.

**Informal Recommendation 25:** The Bureau of Educational and Cultural Affairs should arrange for all executive office service providers to receive customer service training.

**Informal Recommendation 26:** The Bureau of Educational and Cultural Affairs should implement a feedback mechanism for providing interim responses to clients about the status of their requests.

### *Equal Employment Opportunity*

Few formal complaints have been registered, but allegations exist of both overt and subtle forms of discrimination in the bureau, especially regarding gender and race. There are also complaints about lack of diversity in the ECA front office and in program office management positions. ECA management must work to change negative perceptions about its commitment to diversity by implementing a revitalized EEO program, beginning with a strongly worded statement by the Assistant Secretary.

ECA has only one EEO counselor and needs to recruit and train two or three more. ECA does not have bulletin boards throughout the bureau that display contact information for the counselor or the steps needed to initiate EEO complaints. It also has not recently scheduled mandatory EEO and diversity training classes for both managers and employees. The Office of Civil Rights is willing to conduct this training. Correcting deficiencies and taking proactive measures would demonstrate ECA leadership's commitment to EEO principles and to creating an atmosphere conducive to solving problems.

**Recommendation 57:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of Civil Rights, should implement a revitalized Equal Employment Opportunity program throughout the bureau that includes a front office declaration of commitment, the appointment and training of new Equal Employment Opportunity counselors, and training for managers and employees. (Action: ECA, in coordination with S/OCR)

There are few minorities in management and senior leadership positions in ECA, another long-standing issue (b) (5) The U.S. Equal Employment Opportunity Commission provides guidance to agencies on how to create and maintain a model EEO program.

**Recommendation 58:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of Civil Rights, should adopt appropriate portions of the model Equal Employment Opportunity program developed by the Equal Employment Opportunity Commission. (Action: ECA, in coordination with S/OCR)

### *Quality of Life*

ECA has issued policy directives on telework, alternate work schedules, and job sharing that align with those of the Department and the Office of Personnel Management. However, many employees and managers do not understand that such programs are intended to ensure productivity while affording some flexibility on scheduling and place of work. Some ECA employees mistakenly regard participation in these programs as a right rather than the result of a negotiated arrangement that meets the office's needs as well as the employee's preferences. On the other hand, managers must implement and enforce policies fairly, consistently, and transparently. The Department's Office of Employee Relations in the Bureau of Human Resources organized a training session for ECA managers on the proper use of these programs. Providing similar training for all bureau employees would help to dispel misconceptions about the intent and use of these programs.

***Informal Recommendation 27:*** The Bureau of Educational and Cultural Affairs should implement a training program for all employees on the purposes and procedures for teleworking, alternate work schedules, and job sharing.

### ***Bureau Training Programs***

Training opportunities for ECA employees are uneven. ECA does not have a bureauwide training program, although the newly hired training and development officer is working to develop one. Individual development plans are essential for ensuring that an employee acquires needed job skills, but ECA uses them only sporadically. In addition to making sure that employees receive the mandatory leadership skills training at appropriate points in their careers, the bureau must also focus attention on ensuring that new and existing supervisors and managers receive supervisory skills training, diversity and EEO awareness training, and Work/Life program training.

***Informal Recommendation 28:*** The Bureau of Educational and Cultural Affairs should implement a bureauwide training plan tied to achieving its performance goals and mandate use of individual development plans to populate the overall training plan.

### ***Bureau Orientation Program***

Many employees complained they had received no comprehensive orientation either to the bureau as a whole or to their individual jobs. What passed for orientation was a detailed check-in meant to ensure that new or transferring employees had their paperwork processed. Learning how the Department and ECA work is important. ECA's recent production of an orientation video, which provides an overview of the Department, may help.

***Informal Recommendation 29:*** The Bureau of Educational and Cultural Affairs should prepare written and/or video orientation materials for new employees and, at least twice a year, offer new employees a comprehensive introduction to the bureau, with presentations by bureau leadership and office directors.

***Informal Recommendation 30:*** The Bureau of Educational and Cultural Affairs should designate an office sponsor for each new staff member and develop an office-specific orientation program.

### ***Bureau Awards Program***

ECA has expanded its awards program to include an annual awards ceremony, in which senior management participates, and an ongoing awards program by which it presents certificates of appreciation, time-off awards, and extra mile awards for exceptional efforts throughout the year. EX is automating the awards committee functions to facilitate the process. Some employees feel that the same people get awards every year, with some offices participating and recognizing their employees more than others. Many bureau managers are unfamiliar with the process and time frames for nominating employees for awards and fail to understand that appropriately recognizing employee achievements is part of their supervisory responsibilities.

***Informal Recommendation 31:*** The Bureau of Educational and Cultural Affairs should publicize the awards program, including the rules and procedures for submitting nominations, and encourage all managers and supervisors to nominate worthy employees throughout the bureau.

### ***Work Requirements and Performance Evaluations***

Several employees reported delays in receiving their work requirements and performance evaluations. However, the OIG team's spot check indicated that ECA files the vast majority of its evaluations on time. The Department's Systems Oversight division tracks every stage of the evaluation process and can identify tardy submissions. Problems with supervisors not submitting required documents can be referred to the executive director. Bureau leadership recognizes the importance of timely performance evaluations.

### ***Travel Management***

ECA's travel management operations have improved since the 2004 OIG inspection report. An EX deputy director now reviews all vouchers and all requests for premium travel. In 2010 EX processed more than 900 travel authorizations, with fewer than 20 involving business class travel. The OIG team spot-checked several authorizations and found they were properly justified and approved. A sampling of travel vouchers showed no prohibited expenses.

### ***Inventory Controls***

ECA's Certification of Inventory Reconciliation for 2009 recorded a nonexpendable inventory shortage of 5 percent (\$23,000). Per regulations, ECA reported this to the bureau's Property Survey Board, which determined that the discrepancies were due to the disruption following ECA's move to its new location. Over time, ECA located a number of the missing items. The Certification of Inventory for 2010 noted a shortage of less than 1 percent, which is well within acceptable variances.

### ***Receiving***

To ensure the separation of duties and maintenance of internal controls, EX established procedures for the receiving function that will be incorporated into a SharePoint database. However, ECA has yet to make these procedures formal and distribute them among staff.

***Informal Recommendation 32:*** The Bureau of Educational and Cultural Affairs should complete the codification and dissemination of receiving procedures.

### ***Purchase Card Management***

ECA has (b) (5) purchase cards that are held by employees in the Support Services division. Most cards have a (b) (5) limit, but the lead procurement specialist has a (b) (5) limit. All card holders have passed the required training courses. Card holders perform required monthly reconciliations; the Support Services chief serves as the administrative officer and closely scrutinizes the payments, especially during year-end processing. The OIG team reviewed a

sample of the monthly reconciliations and found them to be complete and in order, with no split payments or items over the limit.

### ***Contract Management***

ECA has 80 full-time contractors as well as part timers who provide as-needed services (translators, subject matter experts, etc.). Weaknesses in the performance of contracting officer representatives (CORs) parallel those found in the performance of grants officer representatives.

Though the Office of Acquisitions Management in the Department's Bureau of Administration has provided training sessions for CORs in ECA, attendance is not mandatory. There is also frequent turnover among CORs, with some improperly passing their responsibilities to employees with no COR certification. Employees in the Budget and Finance division stated that some CORs have little familiarity with Federal acquisition regulations or the contracting process. In one case, due to a COR's lack of understanding of the acquisition process, ECA had to seek ratification of an unauthorized commitment of \$6,000, as the COR did not exercise and process the option year on a contract before a payment was made. Additionally, due to inattention by CORs, ECA has incurred late fees under the Prompt Payment Act; however, thanks to scrutiny by its budget specialists and the Bureau of Resource Management, ECA has reduced late payments.

In September 2011, the Office of Management and Budget's Office of Federal Procurement Policy issued a new policy titled "Federal Acquisition Certification for Contracting Office Representatives." Effective January 2012, the policy revises competency requirements for CORs and establishes a risk-based, three-tiered certification process to strengthen the COR function. EX is working with the Office of Acquisitions Management to identify CORs who have certifications and those who require recertification.

The EX deputy director plans to automate much of the contract management and procurement process, which will streamline procedures, aid tracking, enhance quality control, and ensure accountability. The executive director wants to hold CORs accountable, including stripping them of their authority if necessary. Another problem is that after receiving contract packages from the CORs, procurement specialists in Support Services sometimes forward incomplete or inaccurate procurement packages to the Office of Acquisitions Management, which rejects these files, resulting in delays.

**Recommendation 59:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should implement a training plan for all contracting officer representatives that includes certification under the revised policy of the Office of Management and Budget. (Action: ECA, in coordination with A)

***Informal Recommendation 33:*** The Bureau of Educational and Cultural Affairs should include contracting officer representative responsibilities in the work requirements of employees who perform this function.

### *Budget and Finance*

The Budget and Finance division functions well and has good relations with ECA management and program offices and with the Bureau of Resource Management. To increase efficiency, the division director intends to realign portfolios and cross-train employees.

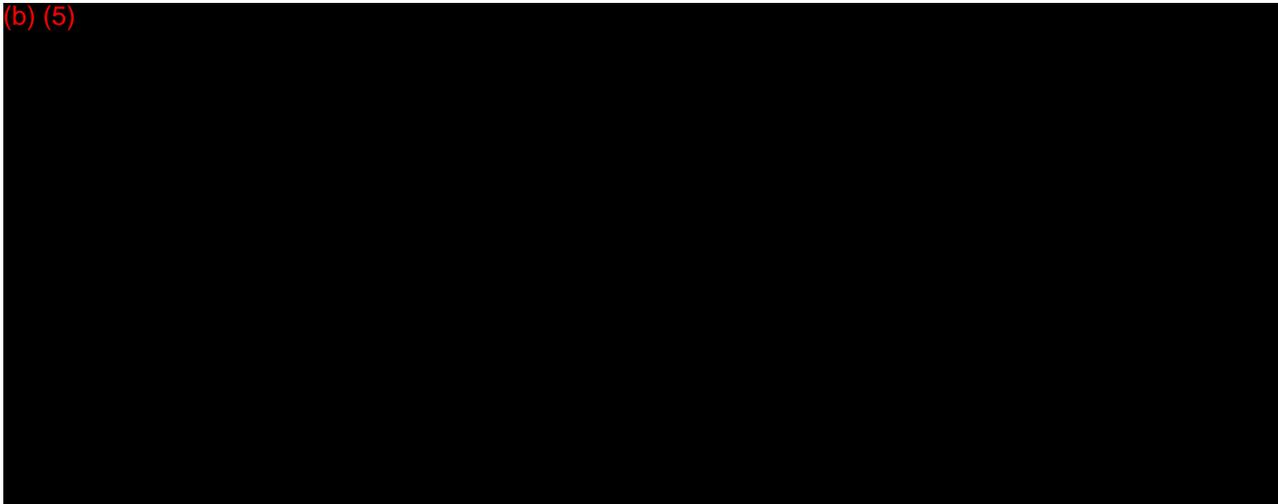
Almost all of the division's work relates to grants and cooperative agreements (discussed earlier in this report). Budget and Finance staff commented that the Program Management and Grants divisions have a tight process that works well. Grantees are paid via a system administered by the Department of Health and Human Services, which has good controls. Last year, in coordination with directors of the Program Management and Grants divisions, Budget and Finance staff held a training session for ECA employees on the budget process. Quarterly meetings with program officers are also needed due to the high turnover of program staff.

Unliquidated obligations are a Departmentwide concern. The Bureau of Resource Management tracks unliquidated obligations and issues quarterly reports to the bureaus. In the past, ECA had many unliquidated obligations; however, the Bureau of Resource Management confirmed that the number has been greatly reduced. This issue is discussed more fully in the Grants Management section.

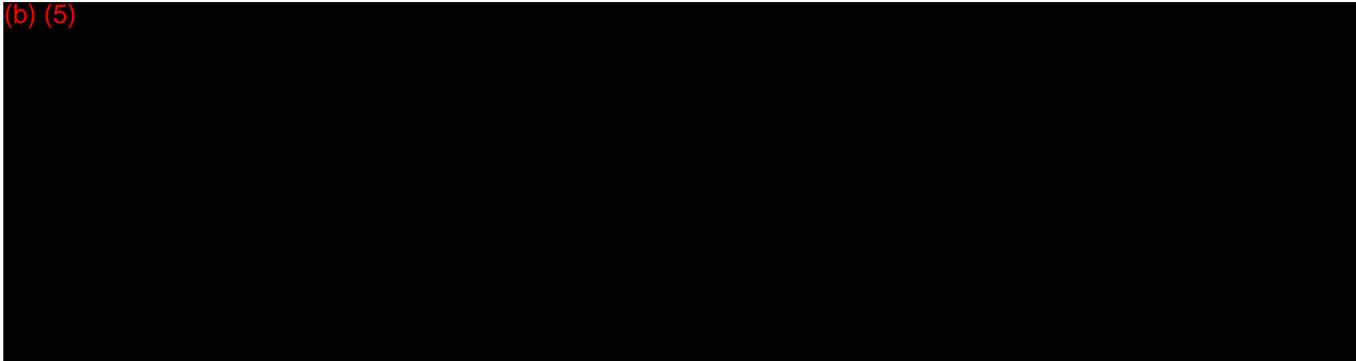
### *Space*

Space problems have been an issue in ECA ever since the bureau moved into its new quarters in 2009 and are a major contributor to (b) (5). Although constructed with a 10 percent expansion factor, ECA's building is already at maximum capacity, as early staffing projections were quickly overtaken by personnel increases. Further, R staff not part of the original plan took 45 spaces, and the bureau received an influx of interns. Two floors not originally intended for office use had to be converted to office space, and some program offices were split between different floors, making communication and supervision difficult. To relieve the space crunch, ECA plans to move 40–60 employees back to the building they vacated in 2009. ECA is also reblocking its current space, which will create as many as 40 new workstations. During the inspection, ECA created a senior-level committee to oversee this process and ensure that office needs are met under the new configuration.

(b) (5)



(b) (5)



### **Accident and Sickness Program for Exchanges**

ECA provides health benefits to exchange program participants in accordance with the Code of Federal Regulations.<sup>4</sup> Participants pay no premiums and have no deductibles. All medical expenses are paid from ECA's appropriation. ECA's plan is more generous than Federal regulations require, providing each exchange participant double the mandated coverage.

Because of the increase in program participants from 2008 to 2010, the number of claims submitted rose by 50 percent. The cost of approved claims rose from \$5.2 million to \$7.6 million during the same period. Some claims were due to illness or accidents suffered by participants during their U.S. programs, but others were due to participants arriving with preexisting chronic conditions.

These rising costs are not sustainable and need to be contained. Possible ways to achieve this include increasing copays, expanding exclusions for preexisting conditions, eliminating maternity coverage, enrolling students in their university or college insurance plans if available, revamping the plan to an insurance-type program, and sending home participants who require long-term treatment. Fulbright Board policies state that physical incapacitation is grounds for termination of a grant; however, program managers rarely send anyone home, and it is unclear who has the authority to make that decision. The EX director intends to examine the health benefit plans of other agencies that operate exchange programs and consult with the Office of the Legal Adviser to identify impediments to and policy ramifications of revamping ECA's program.

**Recommendation 61:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should submit a proposal to the Under Secretary for Public Diplomacy and Public Affairs for approval to make the accident and sickness program for exchanges more cost effective. (Action: ECA, in coordination with L)

### **Revisions to the *Foreign Affairs Manual***

The FAM is the Department's policy and procedures manual. Major FAM provisions relating to ECA's academic exchanges, grants, and the accident and sickness program for exchanges have not been revised since 2002. Current FAM provisions also do not reflect the recent transfer of IT shared services to the ECA/EX portfolio. Because Department officials and employees depend on the FAM for an accurate record of policy, organizational structure, and operations, it is important that ECA keep its FAM provisions up to date.

---

<sup>4</sup> 22 CFR § 62.14.

**Recommendation 62:** The Bureau of Educational and Cultural Affairs should appoint a committee to review provisions in the *Foreign Affairs Manual* relating to its programs and organization, report in writing what needs to be revised or added, and submit the findings for approval and publication in the *Foreign Affairs Manual*. (Action: ECA)

## Information Management and Technology

ECA's IT support services experienced significant change over the past 2 years with staff receiving support from the Bureau of Information Resource Management, IT staff within ECA/EX, or IIP, depending on the type of support needed. Despite many challenges, IT staff has addressed customer issues and received favorable scores in OIG questionnaires. The team identified issues in several areas that require management's attention, including IT shared services and Web site development, systems development life cycle processes, and cooling and humidity controls in computer rooms.

### Information Technology Shared Services

In October 2011, IT shared services and 80 individuals (full-time and contract employees) transferred from IIP to ECA/EX. Initial discussions between IIP and ECA on the transfer began in January 2011, at which time IIP management made a presentation to IIP staff. IIP then sent the Under Secretary for Management a decision package, cleared by ECA and other stakeholders, that included organization charts, human resources and budgeting considerations, and restructuring steps. The Under Secretary approved the package in September 2011. Despite having months to design the move, ECA management exhibited poor planning and communication prior to and during the IT shared services transition, (b) (5) and led to confusion about management reporting structures, job responsibilities, and long-term goals for the IT division. IT staff members said they did not understand the rationale for the change. They were also unclear on the official transition date and on who their assigned direct supervisor would be. Several IT staff members questioned whom they should contact for administrative matters and IT support issues such as licensing and warranties. Without clarity on these issues, staff (b) (5) productivity will continue to decline.

**Recommendation 63:** The Bureau of Educational and Cultural Affairs should provide information technology personnel with a revised organizational chart outlining the reporting structure for the information technology staff transferred to the bureau's executive office. (Action: ECA)

Key information management and information security responsibilities were also in flux at the time of the inspection. These responsibilities included certification and accreditation of systems and applications, information systems security officer responsibilities, software licensing and warranties, inventory, and IT contract management, among others. The customer service provider relationship with IIP had changed, thus making it unclear which functions ECA would handle independently and which it would coordinate with IIP.

**Recommendation 64:** The Bureau of Educational and Cultural Affairs should define those roles and responsibilities the bureau will handle alone and those it will coordinate with the Bureau of International Information Programs and disseminate this information among information technology staff members. (Action: ECA)

IT staff members who transitioned to ECA/EX must receive revised position descriptions and official notification of personnel action forms. ECA management told IT staff members that

they would receive both documents after the official transition date of October 23. However, a full 2 weeks later, only a few staff members had received and been asked to sign new position descriptions. The OIG team found that management had requested those employees to backdate their forms to October 23 and that the new position descriptions did not reflect staff responsibilities accurately. Without accurate position descriptions, staff members cannot be held accountable for their performance, there may be duplication of effort, and management expectations may not be met.

**Recommendation 65:** The Bureau of Educational and Cultural Affairs should provide all information technology staff transferred to the executive office with revised notification of personnel action forms and position descriptions that are accurate, up to date, and reflect newly defined roles and responsibilities. (Action: ECA)

The OIG team found issues with ECA's management of 51 separate IT contracts totaling more than \$29.6 million. These contracts support a range of services, including application and software development, quality assurance, technical writing, multimedia and graphics design, database administration, and Web site management. ECA and IIP management and staff provided OIG inspectors with different lists of assigned CORs, with COR responsibilities for some IT contracts assigned to IIP even though the specific scope of services detailed in the contract would be an ECA responsibility. Equally troubling, not all of the CORs for IT contracts had completed the required training or had designation letters. (See the Resource Management section for a recommendation on COR training.)

**Recommendation 66:** The Bureau of Educational and Cultural Affairs should update contracts supporting information technology functions to reflect the appropriate contracting officer representative and scope of services, including identification of areas of duplication and potential consolidation as needed. (Action: ECA)

The IT shared services transition also has budget implications. Prior to the transition, ECA reimbursed IIP for certain IT support services. These payments included costs associated with software licenses, operations and maintenance, hardware purchases, and configuration management activities. According to budget personnel, the IT budget totaled around \$2 million. With the transition, the relationship between both bureaus has changed, thus requiring IIP now to reimburse ECA. The management of both bureaus, along with the budget staff, has begun discussions to address this issue.

**Recommendation 67:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of International Information Programs, should implement a plan for handling the cost of information technology support services under the shared services structure. (Action: ECA, in coordination IIP)

ECA management has not defined long-term goals and the strategic direction for IT services. A strategic plan would assist management in aligning functions with business needs. It would also help identify resources for projects, implementation schedules, milestones, objectives, performance measures, key personnel, risks, and constraints. Insufficient planning by management has resulted in IT staff being unclear on priorities and having no overall vision for

IT services. A strategic plan with defined goals will provide a roadmap and establish priorities for management and staff so that all are working toward the same end result.

**Recommendation 68:** The Bureau of Educational and Cultural Affairs should disseminate a strategic plan with long-term goals for the information technology division within the executive office. (Action: ECA)

### **Web Management**

Web communication is vital to advance ECA's message and vision to internal and external parties and is a priority for the Assistant Secretary and the ECA front office. The joint collaboration and support of the program offices and the Public Affairs and Strategic Communication Web team is key to the success of this effort. The roles and responsibilities of the Web team and ECA program offices regarding Web sites are not clearly defined, which has led to confusion and conflict about who is responsible for handling Web content, editing, and design. Some program offices have their own Web writers and editors who update and publish Web content without involving the Web team. On occasion, the Web team independently researches and suggests content to program offices; in some instances, the team pulls information directly from grantee Web sites. Although ECA uses multiple avenues to update Web content, there is no centralized management to provide consistency in and clarity on the information provided, which negatively affects the bureau's ability to make its mission clear to the rest of the Department and to external parties.

**Recommendation 69:** The Bureau of Educational and Cultural Affairs should define and disseminate the roles and responsibilities of the Web team and program offices for Web management to include, at a minimum, content development, editing, and approval. (Action: ECA)

The approval and clearance process for Web content also lacks clarity. Each program office has its own internal approval process and there is no consistency among them, resulting in content updates taking a few days to a few weeks for approval. Some program offices complain that the Web team edits content without any discussion, leading to language not suited for the targeted audience or to an intended message being "lost in translation." Further complicating the clearance process is that not all program offices have a designated point of contact. As a result, the Web team is often unsure of whom to contact and coordinate with for Web site content updates.

**Recommendation 70:** The Bureau of Educational and Cultural Affairs should implement a standardized clearance process for Web site content management to be used by each program office and the Web team. (Action: ECA)

**Recommendation 71:** The Bureau of Educational and Cultural Affairs should designate a main point of contact within each program office to coordinate with the Web team and its respective program personnel for Web site content management. (Action: ECA)

Some ECA staff members voiced concerns about the redesign effort contracted to a private company in late 2009. Several program offices do not understand how their current Web

pages will fit within the overall redesign effort and fear they will lose control of their Web presence. Others were confused as to whether all Web pages would be redesigned at the same time or handled one at a time and whether they should continue with their own upgrade efforts. The contract company has met with program offices to discuss the redesign effort and has even conducted an assessment of ECA Web sites, including a review of other Department Web sites and statistical information for benchmark analysis. Although regular communication and information sharing from the contract company has been occurring, the OIG team encourages the program offices to be responsive to meeting requests to help alleviate any confusion. The lack of collaboration among all parties will hamper bureau efforts to meet its Web presence goals.

**Recommendation 72:** The Bureau of Educational and Cultural Affairs should implement a schedule of monthly meetings between all program offices and the Web team to coordinate the Web site redesign effort, including the redesign approach and schedules. (Action: ECA)

The role of the special advisor for innovation within the Public Affairs and Strategic Communication office is not clearly defined. The position was created to support the Assistant Secretary's desire to make more and better use of technology. However, many staff members have questioned whether the advisor's efforts are duplicative of the Web team's activities. Clarity on the role of the advisor will avoid duplication of effort and centralize all Web activities appropriately within Public Affairs and Strategic Communication.

**Recommendation 73:** The Bureau of Educational and Cultural Affairs should define the roles and responsibilities of the special advisor for innovation within the Public Affairs and Strategic Communication office so that the advisor's efforts do not duplicate those of the bureau's Web team. (Action: ECA)

### **Systems Development Life Cycle Process**

ECA is not using the systems development life cycle process effectively as a management tool. This process defines the recommended procedure by which an organization envisions, defines, builds, deploys, operates, and maintains its systems. The OIG team found that user and systems requirements are defined at a high level but do not fully take into account the end users' specific needs. Program offices complained that IT staff does not understand their requirements and develops applications and systems that do not support their business functions.

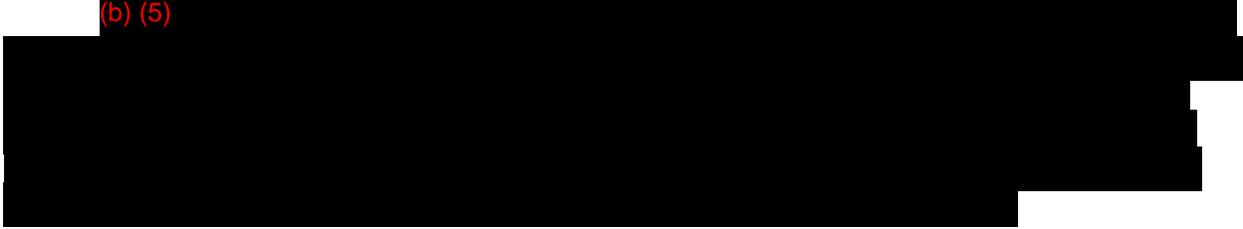
(b) (5)



Stakeholders are not included as key participants in the development process. Application developers meet with stakeholders at the onset of the systems development life cycle process but not again until the product is ready for user acceptance testing, leading developers to build solutions that fail to meet user needs and waste time and money. Control gates also need improvement. Ideally, management should review systems documentation at each key stage before proceeding to the next stage. However, when the OIG team reviewed the systems development life cycle process for the Executive Office Suite and Exchange Visitors Database applications, it found only partial documentation and no clear indication of management

involvement and approval. These deficiencies are surprising considering that ECA management requires quarterly updates as part of IT project planning.

(b) (5)



**Recommendation 74:** The Bureau of Educational and Cultural Affairs should coordinate and manage all systems and applications development activities occurring outside the executive office through the information technology division. (Action: ECA)

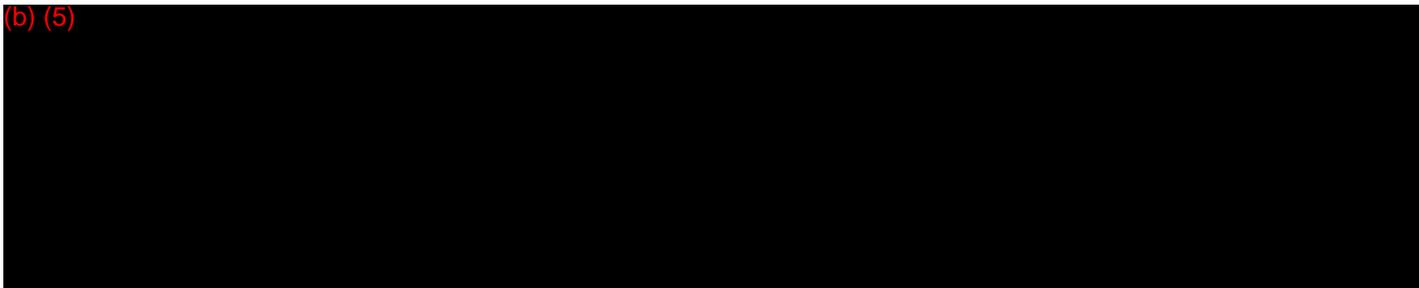
**Recommendation 75:** The Bureau of Educational and Cultural Affairs should implement and enforce the systems development life cycle process for all bureau systems and applications to include, at a minimum, the identification of user and system requirements and consultation with stakeholders and the review by management of deliverables at each control gate throughout the process. (Action: ECA)

**Recommendation 76:** The Bureau of Educational and Cultural Affairs should incorporate steps into the systems development life cycle process that require participation by all relevant parties to determine the development and testing schedule for systems and applications. (Action: ECA)

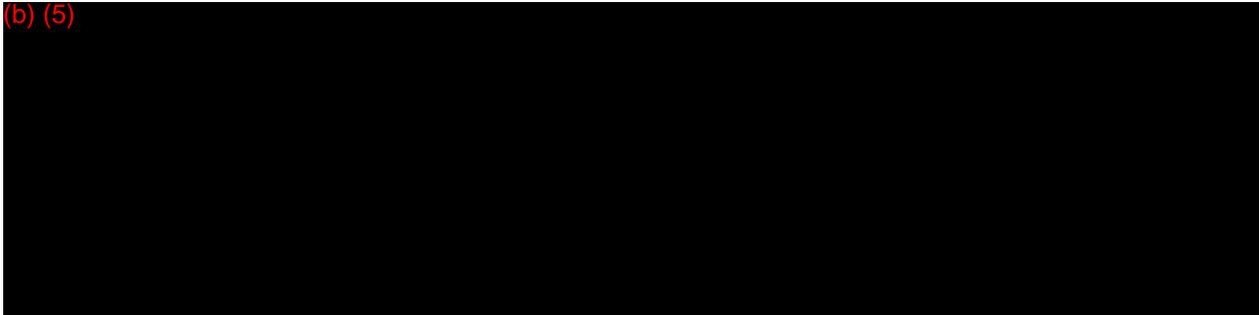
### **Automating Business Processes**

ECA management understands that it needs to automate processes to streamline clearance procedures. ECA staff is frustrated by the back and forth of paper clearances, especially in procurement and invoice management. Although a SharePoint site was created to handle the invoicing process, ECA staff does not use it and was unable to explain why. EX management and staff met during the inspection to discuss their approach and identify steps that need to be completed, including mapping business processes, creating an architecture design, determining which processes to automate, building a standard development platform, and performing user acceptance testing. Processes already identified for automation include employee check-in/check-out, invoicing, equipment purchasing, and IT inventory. Management anticipates completing the project by early FY 2013. ECA hired a management analyst to help define and document business processes and designated a point of contact for each division to examine its own processes. Steps taken thus far illustrate the importance management places on correcting identified weakness, and the OIG team supports this effort.

(b) (5)

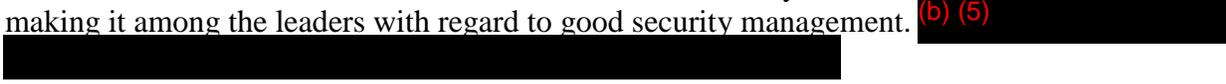


(b) (5)

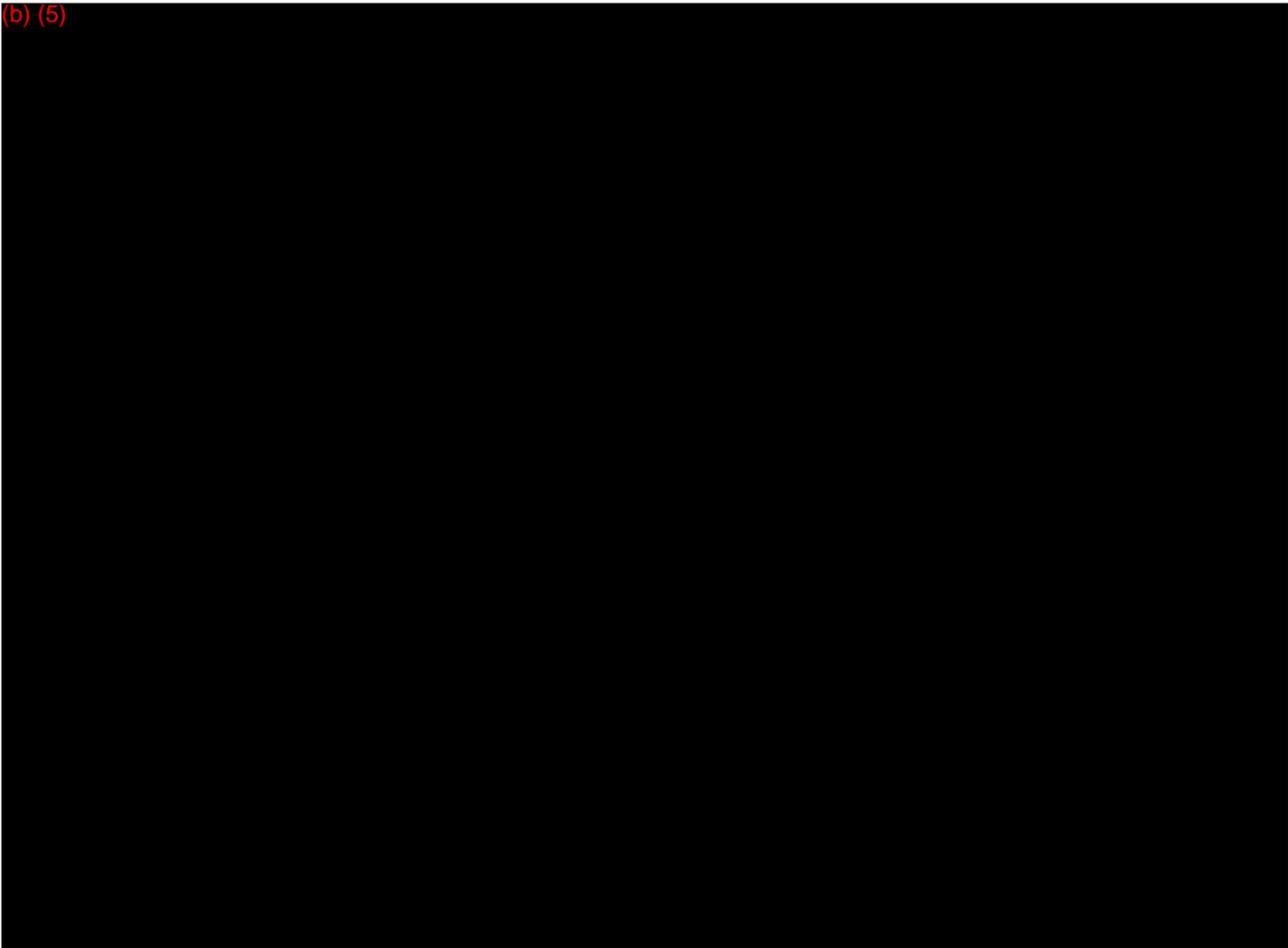


## Security

ECA's information security program generally complies with Department 12 FAM 500 policy. One bureau security officer manages security programs for both ECA and IIP. He is responsible for developing, inspecting, and advising on procedures and controls for safeguarding classified and administratively controlled information and for enforcing all associated security regulations for both bureaus. He also coordinates with other bureau security officers and the Department's Diplomatic Facilities Protection division for total security oversight of the building in which ECA and IIP are located. ECA has not had a security incident since January 2010, making it among the leaders with regard to good security management. (b) (5)



(b) (5)



Both ECA and IIP are reducing their IT security footprint by eliminating many of the 123 individual classified network servers and ports located throughout the building. At the end of the project, the executive suite will have its own classified server, and the rest of ECA will share two classified network areas, reducing locations for conducting classified processing from all ECA

floor levels to just two. The OIG team supports this effort, which will save the bureau approximately \$25,000 per year.

## Management Controls

For FY 2011, the Assistant Secretary's Statement of Assurance regarding management controls, mandated by the Federal Managers' Fiscal Compliance Act,<sup>5</sup> reported a significant deficiency in the monitoring of grantees and participants in youth exchange programs. In November 2011, the Department's Management Control Steering Committee closed the deficiency based on ECA's corrective action plan and its compliance with the recommendations in the OIG 2009 report on youth programs. At the same meeting, the committee, with the Deputy Inspector General's concurrence, opened a material weakness on the ECA SWT program. The committee agreed that ECA's corrective action plan would consist of its current initiatives to eliminate the weaknesses as well as its compliance with SWT-related recommendations in this inspection report.

ECA corrected the significant management control weaknesses identified in OIG's 2004 inspection report, including its procurement, property management, and time and attendance processes.

---

<sup>5</sup> 31 U.S.C. 3512.

## List of Recommendations

**Recommendation 1:** The Bureau of Educational and Cultural Affairs should conduct strategic budget planning exercises for all its program offices using the review in the Office of Professional and Cultural Exchanges as a model. (Action: ECA)

**Recommendation 2:** The Bureau of Educational and Cultural Affairs should implement a written plan to hold at least three town hall meetings annually and require all offices that have not had off-sites in the past 2 years to do so in 2012, perhaps in the context of beginning their strategic reviews. (Action: ECA)

**Recommendation 3:** The Bureau of Educational and Cultural Affairs should implement a written policy that requires all office directors to meet with their staffs at least twice monthly and all senior managers to attend working level meetings and visit individual offices. (Action: ECA)

**Recommendation 4:** The Bureau of Educational and Cultural Affairs should share with all bureau staff its weekly highlights report to the Under Secretary for Public Diplomacy and Public Affairs and its weekly senior staff meeting notes. (Action: ECA)

**Recommendation 5:** The Bureau of Educational and Cultural Affairs should revise its system for managing paper flow to achieve a more streamlined process and issue new guidelines to all bureau staff. (Action: ECA)

**Recommendation 6:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should implement programmatic and funding mechanisms so that bureau programs can respond effectively to urgent policy needs. (Action: ECA, in coordination with R/PPR)

**Recommendation 7:** The Bureau of Educational and Cultural Affairs should implement a plan for overseas public affairs sections, bureau program offices, and implementing partners to preregister exchange participants on the State Alumni Web site. (Action: ECA)

**Recommendation 8:** The Bureau of Educational and Cultural Affairs should establish standard operating procedures for program offices and implementing partners to enter exchange participant data accurately and expeditiously into the appropriate bureau database. (Action: ECA)

**Recommendation 9:** The Bureau of Educational and Cultural Affairs should conduct a needs assessment to improve the alumni archive and make it more functional for overseas missions. (Action: ECA)

**Recommendation 10:** The Bureau of Educational and Cultural Affairs should implement a strategic evaluation plan that integrates evaluation systematically into program design, prioritizes which programs to evaluate and how, and produces reports that provide leadership with information on which to base resource decisions. (Action: ECA)

**Recommendation 11:** The Bureau of Educational and Cultural Affairs, in coordination with the Foreign Service Institute, should secure the services of a facilitator to advise the bureau on

how to integrate performance measurement into every bureau program. (Action: ECA, in coordination with FSI)

**Recommendation 12:** The Office of the Legal Adviser should request a decision from the Office of Management and Budget on the extraterritoriality of the Paperwork Reduction Act. (Action: L)

**Recommendation 13:** The Bureau of Educational and Cultural Affairs should implement a survey system that meets bureau needs for performance evaluation. (Action: ECA)

**Recommendation 14:** The Bureau of Educational and Cultural Affairs should conduct an analysis of all its academic exchange programs, drawing upon external as well as internal sources, issue a report assessing their cost effectiveness, and use this information to establish funding priorities. (Action: ECA)

**Recommendation 15:** The Bureau of Educational and Cultural Affairs, in coordination with the regional bureaus, should issue guidelines so that the relevant embassy is included in communications from the bureau to binational Fulbright commissions; the guidelines should also advise embassy representatives on binational governing boards of their oversight and management responsibilities. (Action: ECA, in coordination with EAP, EUR, NEA, SCA, and WHA)

**Recommendation 16:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Under Secretary for Public Diplomacy and Public Affairs, should implement and adhere to a systematic preacquisition planning process that is in accordance with guidelines from the Bureau of Administration's Office of the Procurement Executive. (Action: ECA, in coordination with R/PPR)

**Recommendation 17:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should determine whether the educational video game contractor for the English Access Online program has met the terms of performance under the contracts and, if not, pursue a remedy. (Action: ECA, in coordination with A)

**Recommendation 18:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Human Resources, should restructure the purchasing agent position, number S9922600, to include other duties to make full use of the position and better meet the needs of the English Language Programs office. (Action: ECA, in coordination with DGHR)

**Recommendation 19:** The Bureau of Educational and Cultural Affairs, in coordination with the Foreign Service Institute, should finalize an orientation training program and a training continuum for regional English language officers. (Action: ECA, in coordination with FSI)

**Recommendation 20:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Consular Affairs and the regional bureaus, should send a cable with appropriate guidance to U.S. embassies in countries hosting American citizen youth on Department of State-sponsored exchanges so that mission staff provides a uniform system and level of participant support and monitoring. (Action: ECA, in coordination with CA, AF, EAP, EUR, NEA, SCA, and WHA)

**Recommendation 21:** The Bureau of Educational and Cultural Affairs should assign to relevant regional bureaus the responsibility for signing DS-2019 forms for inbound exchange visitor programs that are initiated and funded by overseas posts. (Action: ECA, in coordination with AF, EAP, EUR, NEA, SCA, and WHA)

**Recommendation 22:** The Under Secretary for Public Diplomacy and Public Affairs, in coordination with the Bureau of Educational and Cultural Affairs and the regional bureaus, should conduct a survey to determine the extent of bureau- and embassy-initiated exchange programs that are not funded by the Bureau of Educational and Cultural Affairs and maintain those results by designing and implementing a database into which bureaus and embassies can enter information to be conveyed to resource managers and strategic planners. (Action: R/PPR, in coordination with ECA, AF, EAP, EUR, NEA, SCA, and WHA)

**Recommendation 23:** The Bureau of Educational and Cultural Affairs should implement an online information resource that is easily accessible to embassies and regional bureaus, that will provide comprehensive management and programmatic guidance for non-bureau-sponsored exchanges, and that is supplemented by a help desk for direct inquiries. (Action: ECA)

**Recommendation 24:** The Bureau of Educational and Cultural Affairs should respond to changes in the regional distribution of the workload in its Office of International Visitors by creating separate branches for South/Central Asia and the Near East and North Africa and by combining other branches with lesser workloads if necessary. (Action: ECA)

**Recommendation 25:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Human Resources, should reprogram position number U0166200 from the New York program branch as a second deputy director in the Office of International Visitors upon departure of the incumbent. (Action: ECA, in coordination with DGHR)

**Recommendation 26:** The Bureau of Educational and Cultural Affairs should include in its strategic planning efforts a review of the need for a separate Voluntary Visitors division in the Office of International Visitors. (Action: ECA)

**Recommendation 27:** The Bureau of Educational and Cultural Affairs should carry out a pilot program to determine whether the New York program branch of the Office of International Visitors could effectively support other bureau offices and programs. (Action: ECA)

**Recommendation 28:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should implement a method for providing the Office of Language Services with official feedback on the performance of interpreters and others who escort international visitors. (Action: ECA, in coordination with A)

**Recommendation 29:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, the Bureau of Resource Management, and the Bureau of Legislative Affairs, should revise its funding distribution so that designations and compliance staff salaries do not derive exclusively from fees the bureau receives from the sponsor designation and Department of Homeland Security's Student and Exchange Visitor Information System registration processes. (Action: ECA, in coordination with L, RM, and H)

**Recommendation 30:** The Bureau of Educational and Cultural Affairs should establish the maximum number of sponsor organizations and participants for each J visa program that its current resources and capacity can manage with appropriate quality controls. (Action: ECA)

**Recommendation 31:** The Bureau of Educational and Cultural Affairs should revise regulations governing all J visa programs to establish the maximum fees sponsors and their overseas representatives may charge participants. (Action: ECA)

**Recommendation 32:** The Bureau of Educational and Cultural Affairs should implement a plan to conduct on-site reviews of every sponsoring organization at least once every 2 years as part of the redesignation process, increasing designation fees as necessary to defray travel and per diem costs. (Action: ECA)

**Recommendation 33:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should provide streamlined and more stringent sanctions for noncompliance with any regulatory requirement. (Action: ECA, in coordination with L)

**Recommendation 34:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should implement and enforce written agreements in which sponsors' responsible officers and alternate responsible officers commit to deliver required services, follow program regulations and Department of State guidance, and refrain from prohibited practices. (Action: ECA, in coordination with L)

**Recommendation 35:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should implement an annual program audit requirement for designated sponsors in every J visa program. (Action: ECA, in coordination with L)

**Recommendation 36:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Consular Affairs, the Office of the Legal Adviser, and the Bureau of Legislative Affairs, should submit a proposal to the Deputy Secretary for Resources and Management to determine the viability of ending or transferring its current responsibilities for the alien physician, au pair, intern, teacher, and trainee programs to the Department of Labor. (Action: ECA, in coordination with CA, L, and H)

**Recommendation 37:** The Bureau of Consular Affairs, in coordination with the Bureau of Educational and Cultural Affairs, should prepare a report reflecting how its recommendations to the Department of Homeland Security concerning Section 212(e) waiver requests properly balance the intent of the Fulbright-Hays Act with other relevant policy considerations. (Action: CA, in coordination with ECA)

**Recommendation 38:** The Bureau of Educational and Cultural Affairs should establish a process to refer credible allegations of criminal activity to the Bureau of Diplomatic Security, the Office of Inspector General's Office of Investigations, or to an appropriate law enforcement organization. (Action: ECA)

**Recommendation 39:** The Office of the Legal Adviser, in coordination with the Bureau of Educational and Cultural Affairs and the Bureau of Diplomatic Security, should determine

whether host family names can be checked against law enforcement databases and, if so, develop a procedure for such checks. (Action: L, in coordination with ECA and DS)

**Recommendation 40:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should significantly limit the number of sponsors and participants in the Summer Work Travel program pending implementation of major regulatory change that will allow more rigorous oversight of the designation, management, and sanctioning of program sponsors. (Action: ECA, in coordination with L)

**Recommendation 41:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Resource Management, should implement a procedure for gathering relevant information on its designated sponsors from other Department of State and U.S. Government entities. (Action: ECA, in coordination with RM)

**Recommendation 42:** The Bureau of Educational and Cultural Affairs should implement a procedure under which a sanction in any program triggers an on-site review of all other programs under that designated sponsor's purview. (Action: ECA)

**Recommendation 43:** The Bureau of Educational and Cultural Affairs should implement clear written procedures and standards for reviewing sponsor requests to adjust DS-2019 allotments. (Action: ECA)

**Recommendation 44:** The Bureau of Educational and Cultural Affairs should implement a substantive training program on laws and regulations for all staff charged with communicating with sponsors or monitoring sponsor compliance. (Action: ECA)

**Recommendation 45:** The Bureau of Educational and Cultural Affairs should restructure the Office of Private Sector Exchange, combining the staff responsible for sponsor designation, program management, and compliance activities for each J visa category into a single unit. (Action: ECA)

**Recommendation 46:** The Bureau of Educational and Cultural Affairs should move staff of the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training to the Office of Policy and Evaluation within the Bureau of Educational and Cultural Affairs. (Action: ECA)

**Recommendation 47:** The Bureau of Educational and Cultural Affairs should transfer its responsibility for 212(e) waiver requests from the Office of Private Sector Exchange to the Office of Policy and Evaluation. (Action: ECA)

**Recommendation 48:** The Bureau of Educational and Cultural Affairs should transfer public-private partnership initiatives to the Office of Policy and Evaluation. (Action: ECA)

**Recommendation 49:** The Bureau of Educational and Cultural Affairs should move the management of individual grants into the Grants division of the executive office. (Action: ECA)

**Recommendation 50:** The Bureau of Educational and Cultural Affairs should implement standard procedures for awarding individual grants. (Action: ECA)

**Recommendation 51:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Legislative Affairs, should increase the limitation on the grants budget for organizations with less than 4 years' experience from \$60,000 to at least \$130,000. (Action: ECA, in coordination with H)

**Recommendation 52:** The Bureau of Educational and Cultural Affairs should implement procedures that require grants officers to use the DS-4012 Foreign Assistance File form and maintain complete paper files. (Action: ECA)

**Recommendation 53:** The Bureau of Educational and Cultural Affairs should implement policies that require a new designation memo from the warranted grants officer before the program office may transfer responsibility for a grant to a new grants officer representative. (Action: ECA)

**Recommendation 54:** The Bureau of Administration should issue guidance on how to implement the new closeout requirements for all grants when the grantee fails to provide all required documents. (Action: A)

**Recommendation 55:** The Bureau of Educational and Cultural Affairs should implement a plan to close out outstanding grants that are more than 24 months past their end date. (Action: ECA)

**Recommendation 56:** The Bureau of Educational and Cultural Affairs should eliminate the Customer Support division and reassign its staff members to other executive office divisions. (Action: ECA)

**Recommendation 57:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of Civil Rights, should implement a revitalized Equal Employment Opportunity program throughout the bureau that includes a front office declaration of commitment, the appointment and training of new Equal Employment Opportunity counselors, and training for managers and employees. (Action: ECA, in coordination with S/OCR)

**Recommendation 58:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of Civil Rights, should adopt appropriate portions of the model Equal Employment Opportunity program developed by the Equal Employment Opportunity Commission. (Action: ECA, in coordination with S/OCR)

**Recommendation 59:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of Administration, should implement a training plan for all contracting officer representatives that includes certification under the revised policy of the Office of Management and Budget. (Action: ECA, in coordination with A)

**Recommendation 60:** (b) (5)



**Recommendation 61:** The Bureau of Educational and Cultural Affairs, in coordination with the Office of the Legal Adviser, should submit a proposal to the Under Secretary for Public Diplomacy and Public Affairs for approval to make the accident and sickness program for exchanges more cost effective. (Action: ECA, in coordination with L)

**Recommendation 62:** The Bureau of Educational and Cultural Affairs should appoint a committee to review provisions in the *Foreign Affairs Manual* relating to its programs and organization, report in writing what needs to be revised or added, and submit the findings for approval and publication in the *Foreign Affairs Manual*. (Action: ECA)

**Recommendation 63:** The Bureau of Educational and Cultural Affairs should provide information technology personnel with a revised organizational chart outlining the reporting structure for the information technology staff transferred to the bureau's executive office. (Action: ECA)

**Recommendation 64:** The Bureau of Educational and Cultural Affairs should define those roles and responsibilities the bureau will handle alone and those it will coordinate with the Bureau of International Information Programs and disseminate this information among information technology staff members. (Action: ECA)

**Recommendation 65:** The Bureau of Educational and Cultural Affairs should provide all information technology staff transferred to the executive office with revised notification of personnel action forms and position descriptions that are accurate, up to date, and reflect newly defined roles and responsibilities. (Action: ECA)

**Recommendation 66:** The Bureau of Educational and Cultural Affairs should update contracts supporting information technology functions to reflect the appropriate contracting officer representative and scope of services, including identification of areas of duplication and potential consolidation as needed. (Action: ECA)

**Recommendation 67:** The Bureau of Educational and Cultural Affairs, in coordination with the Bureau of International Information Programs, should implement a plan for handling the cost of information technology support services under the shared services structure. (Action: ECA, in coordination IIP)

**Recommendation 68:** The Bureau of Educational and Cultural Affairs should disseminate a strategic plan with long-term goals for the information technology division within the executive office. (Action: ECA)

**Recommendation 69:** The Bureau of Educational and Cultural Affairs should define and disseminate the roles and responsibilities of the Web team and program offices for Web management to include, at a minimum, content development, editing, and approval. (Action: ECA)

**Recommendation 70:** The Bureau of Educational and Cultural Affairs should implement a standardized clearance process for Web site content management to be used by each program office and the Web team. (Action: ECA)

**Recommendation 71:** The Bureau of Educational and Cultural Affairs should designate a main point of contact within each program office to coordinate with the Web team and its respective program personnel for Web site content management. (Action: ECA)

**Recommendation 72:** The Bureau of Educational and Cultural Affairs should implement a schedule of monthly meetings between all program offices and the Web team to coordinate the Web site redesign effort, including the redesign approach and schedules. (Action: ECA)

**Recommendation 73:** The Bureau of Educational and Cultural Affairs should define the roles and responsibilities of the special advisor for innovation within the Public Affairs and Strategic Communication office so that the advisor's efforts do not duplicate those of the bureau's Web team. (Action: ECA)

**Recommendation 74:** The Bureau of Educational and Cultural Affairs should coordinate and manage all systems and applications development activities occurring outside the executive office through the information technology division. (Action: ECA)

**Recommendation 75:** The Bureau of Educational and Cultural Affairs should implement and enforce the systems development life cycle process for all bureau systems and applications to include, at a minimum, the identification of user and system requirements and consultation with stakeholders and the review by management of deliverables at each control gate throughout the process. (Action: ECA)

**Recommendation 76:** The Bureau of Educational and Cultural Affairs should incorporate steps into the systems development life cycle process that require participation by all relevant parties to determine the development and testing schedule for systems and applications. (Action: ECA)

**Recommendation 77:** (b) (5)  
[Redacted]

**Recommendation 78:** (b) (5)  
[Redacted]

## List of Informal Recommendations

Informal recommendations cover operational matters not requiring action by organizations outside the inspected unit and/or the parent regional bureau. Informal recommendations will not be subject to the OIG compliance process. However, any subsequent OIG inspection or on-site compliance review will assess the mission's progress in implementing the informal recommendations.

***Informal Recommendation 1:*** The Bureau of Educational and Cultural Affairs should take into account in its resource use analysis the results of recently initiated planning efforts within the bureau, as well as data from nonbureau sources, and develop standard procedures for cooperating with embassies and regional bureaus on resource planning.

***Informal Recommendation 2:*** The Bureau of Educational and Cultural Affairs should sponsor workshops for both Civil Service and Foreign Service supervisors to improve understanding of performance review preparation in both systems.

***Informal Recommendation 3:*** The Bureau of Educational and Cultural Affairs should implement a policy to upgrade Civil Service staff opportunities through support for short- and long-term excursion tours.

***Informal Recommendation 4:*** The Bureau of Educational and Cultural Affairs should issue a Department Notice on the role of its Policy unit, specifying the responsibilities of and contact information for each staff member.

***Informal Recommendation 5:*** The Bureau of Educational and Cultural Affairs should use the process of preparing its next strategic planning request to set clearer priorities, better measure performance, and increase coordination.

***Informal Recommendation 6:*** The Bureau of Educational and Cultural Affairs should formulate and implement goals for alumni engagement, a strategy to achieve these goals, and criteria to prioritize resource allocation.

***Informal Recommendation 7:*** The Bureau of Educational and Cultural Affairs should work with the Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training to implement a strategy that incorporates exchange participants from all U.S. Government agencies into its work.

***Informal Recommendation 8:*** The Bureau of Educational and Cultural Affairs should work with the Office of the Under Secretary for Management to establish procedures so that the Fulbright Scholarship Board maintains a full complement of members.

***Informal Recommendation 9:*** The Bureau of Educational and Cultural Affairs should implement a policy to include Fulbright Foreign Scholarship Board members in event notifications to Fulbright program participants.

***Informal Recommendation 10:*** The Bureau of Educational and Cultural Affairs should work with the Office of the Under Secretary for Management to hire a temporary executive director to

strengthen the work of the Fulbright Foreign Scholarship Board until the arrival of the permanent director in summer 2012.

***Informal Recommendation 11:*** The Bureau of Educational and Cultural Affairs should increase interaction between regional educational advising coordinators and embassy- or commission-based advisers through more regional workshops and video conferences.

***Informal Recommendation 12:*** The Bureau of Educational and Cultural Affairs should review its community college initiative program and implement changes that would make the program more effective.

***Informal Recommendation 13:*** The Bureau of Educational and Cultural Affairs should reconsider plans to fill a vacant position in the Humphrey Fellowships and Institutional Linkages branch in the Office of Global Educational Programs and instead redistribute staff workloads, continue the branch's cross-training efforts, and allow the vacant position to be used elsewhere in the bureau.

***Informal Recommendation 14:*** The Bureau of Educational and Cultural Affairs should revise work requirements of program coordinators in the Office of International Visitors to require their support for projects of highest priority to the office as a whole instead of only to those in regional branches.

***Informal Recommendation 15:*** The Bureau of Educational and Cultural Affairs should assign an employee in the Office of International Visitors to develop and maintain a "smart book" with documents employees need to carry out their duties, including files, instructions, formats, and other necessary information, and distribute it to all new employees on arrival.

***Informal Recommendation 16:*** The Bureau of Educational and Cultural Affairs should complete its current, in-house project to revise, improve, and standardize procedures for evaluating International Visitor projects and the performance of program agencies.

***Informal Recommendation 17:*** The Bureau of Educational and Cultural Affairs should draft and disseminate guidance with clear criteria for justification of the third and fourth exceptions to competition.

***Informal Recommendation 18:*** The Bureau of Educational and Cultural Affairs should include an assessment of the risk level of each proposal and suggested grant requirements to mitigate any identified risks before the Assistant Secretary approves the proposal.

***Informal Recommendation 19:*** The Bureau of Educational and Cultural Affairs should design a monitoring plan that details actions to address any risks identified in the pre-award risk assessment.

***Informal Recommendation 20:*** The Bureau of Educational and Cultural Affairs should create a mechanism for warranted grants officers to provide input for performance evaluations of grants officer representatives.

***Informal Recommendation 21:*** The Bureau of Educational and Cultural Affairs should send grants officer representatives to refresher training or workshops annually.

***Informal Recommendation 22:*** The Bureau of Educational and Cultural Affairs should implement a plan to strengthen monitoring and evaluation processes before initiating a pilot program for using option years.

***Informal Recommendation 23:*** The Bureau of Educational and Cultural Affairs should create a system whereby the grants officer solicits written contributions from the grants officer representative before creating a final evaluation report and closing a grant.

***Informal Recommendation 24:*** The Bureau of Educational and Cultural Affairs should implement a plan for the Human Resources and Support Services divisions to clarify their work processes and increase client understanding of administrative processes.

***Informal Recommendation 25:*** The Bureau of Educational and Cultural Affairs should arrange for all executive office service providers to receive customer service training.

***Informal Recommendation 26:*** The Bureau of Educational and Cultural Affairs should implement a feedback mechanism for providing interim responses to clients about the status of their requests.

***Informal Recommendation 27:*** The Bureau of Educational and Cultural Affairs should implement a training program for all employees on the purposes and procedures for teleworking, alternate work schedules, and job sharing.

***Informal Recommendation 28:*** The Bureau of Educational and Cultural Affairs should implement a bureauwide training plan tied to achieving its performance goals and mandate use of individual development plans to populate the overall training plan.

***Informal Recommendation 29:*** The Bureau of Educational and Cultural Affairs should prepare written and/or video orientation materials for new employees and, at least twice a year, offer new employees a comprehensive introduction to the bureau, with presentations by bureau leadership and office directors.

***Informal Recommendation 30:*** The Bureau of Educational and Cultural Affairs should designate an office sponsor for each new staff member and develop an office-specific orientation program.

***Informal Recommendation 31:*** The Bureau of Educational and Cultural Affairs should publicize the awards program, including the rules and procedures for submitting nominations, and encourage all managers and supervisors to nominate worthy employees throughout the bureau.

***Informal Recommendation 32:*** The Bureau of Educational and Cultural Affairs should complete the codification and dissemination of receiving procedures.

*Informal Recommendation 33:* The Bureau of Educational and Cultural Affairs should include contracting officer representative responsibilities in the work requirements of employees who perform this function.

*Informal Recommendation 34:* (b) (5)



## Principal Officials

	<b>Name</b>	<b>Arrival Date</b>
Assistant Secretary	Adam Ereli, Acting	07/11
Principal Deputy Assistant Secretary	Adam Ereli	01/11
Deputy Assistant Secretary for Academic Programs	Meghann Curtis	10/11
Deputy Assistant Secretary for Professional Exchanges	Lee Satterfield	04/11
Deputy Assistant Secretary for Private Sector Exchange	Rick Ruth, Acting	08/11
Director, Policy and Evaluation	Matthew Lussenhop, Acting	10/11
Managing Director, Academic Programs	Marianne Craven	10/99
Managing Director, Professional Exchanges	Chris Miner	02/06
Director, Exchange Coordination and Compliance	Susan Geary	07/07
Director, Office of Private Sector Designation	Ida Abell, Acting	11/11
Director, Academic Exchange Programs	Michelle Johnson, Acting	
Director, English Language Programs	Lawrence Corwin	07/09
Director, Global Education Programs	Paul Hiemstra	10/99
Director, Citizen Exchanges	Mary Deane Connors	10/10
Director, International Visitors	Alma Candelaria	07/09

## Abbreviations

COR	Contracting officer representative
DAS	Deputy assistant secretary
Department	U.S. Department of State
EC	Office of Private Sector Exchange
ECA	Bureau of Educational and Cultural Affairs
EEO	Equal Employment Opportunity
EX	Executive office
FAM	<i>Foreign Affairs Manual</i>
Form DS-2019	Certificate of Eligibility for Exchange Visitor (J-1) Status
Fulbright-Hays Act	Mutual Educational and Cultural Exchange Act of 1961
IAWG	Interagency Working Group on U.S. Government-Sponsored International Exchanges and Training
IIP	Bureau of International Information Programs
IT	Information technology
OIG	Office of Inspector General
R	Under Secretary for Public Diplomacy and Public Affairs
SEVIS	Student and Exchange Visitor Information System
SWT	Summer Work Travel

~~SENSITIVE BUT UNCLASSIFIED~~

**FRAUD, WASTE, ABUSE,  
OR MISMANAGEMENT**  
of Federal programs hurts everyone.

Contact the  
Office of Inspector General  
**HOTLINE**  
to report illegal or wasteful activities:

202-647-3320  
800-409-9926

[oighotline@state.gov](mailto:oighotline@state.gov)

[oig.state.gov](http://oig.state.gov)

Office of Inspector General  
U.S. Department of State  
P.O. Box 9778  
Arlington, VA 22219

~~SENSITIVE BUT UNCLASSIFIED~~